

FBIS**DAILY REPORT
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XINHUA NOTES FOREIGN GREETINGS ON PRC NATIONAL DAY

OW030627 [Editorial report] Beijing XINHUA Domestic Service in Chinese at 1837 GMT on 30 September and at 1537 and 1427 GMT on 1 and 2 October transmits three reports on foreign party and government leaders greeting the 37th anniversary of the founding of the PRC.

None of the contents of any of the messages is provided by Beijing XINHUA, only from whom a message was received and to whom it was addressed. The messages were not listed in any apparent order, either by the number of strokes, alphabetically, or geographically.

Those who sent telegrams to PRC leaders to greet the founding anniversary are as follows as listed in order by Beijing XINHUA:

Kim Il-song, general secretary of the WPK Central Committee and president of the DPRK;

Nicolae Ceausescu, general secretary of the Romanian Communist Party Central Committee and president of the Socialist Republic of Romania, and Constantin Dascalescu, prime minister of the Romanian Government;

Sinan Hasani, president of the SFRY presidency;

Samdech Norodom Sihanouk, prresident of Democtratic Kampuchea; Son Sann, prime minister of the Coalition Government of Democratic Kampuchea; and Khieu Samphan, vice president in charge of foreign affairs;

Erich Honecker, general secretary of the SED Central Committee and Chairman of the State Council of the German Democratic Republic; Willi Stoph, chairman of the Council of Ministers; and Horst Sinderman, president of the People's Chamber;

Wojciech Jaruzelski, chairman of the State Council of the Polish People's Republic; and Zbigniew Messner, chairman of the Council of Ministers;

Todor Zhivkov, general secretary of the Central Committee of the Bulgarian Communist Party and chairman of the State Council of the People's Republic of Bulgaria; and Georgi Ivanov Atanasov, chairman of the Council of Ministers;

Jambyn Batmonh, chairman of the People's Great Hural Presidium of the Mongolian People's Republic; and Dumaagyn Sodnom, chairman of the Council of Ministers;

Hussain Mohammad Ershad, president of the People's Republic of Bangladesh;

Muhammad Husni Mubarak, president of the Arab Republic of Egypt;

Patrick Hillery, president of Ireland;

U San Yu, president of the Socialist Republic of the Union of Burma;

Kenan Evren, president of the Republic of Turkey;

Richard von Weizacker, president of the Federal Republic of Germany;

Zail Singh, president of the Republic of India;

Kingsford Dibela, governor general of Papua New Guinea;

Saddam Husayn, president of the Republic of Iraq;

Dawda Kairaba Jawara, president of the Republic of Gambia;

Mengistu Haile Mariam, general secretary of the WPC Central Committee, chairman of the Provisional Military Administrative Council of Socialist Ethiopia, and commander in chief of the revolutionary army;

Didier Ignace Ratsiraka, president of the Democratic Republic of Madagascar;

Hafiz al-Asad, president of the Syrian Arab Republic;

Zayid ibn Sultan Shaykh al-Nuhayyan, president of the United Arab Emirates;

Hugh Desmond Yoyte, president of the Cooperative Republic of Guyana;

Truong Chinh, chairman of the State Council of the Socialist Republic of Vietnam;

Elizabeth II, queen of the United Kingdom of Great Britain and Northern Ireland;

Abdou Diouf, president of the Republic of Senegal;

Mario Soares, president of the Portuguese Republic;

Ninian Stephen, governor general of Australia;

France Albert Rene, president of the Republic of Seychelles;

Ahmed Abdallah Abderemane, president of the Federal Islamic Republic of the Comoros;

Sir Veerasamy Ringadoo, governor general of Mauritius;

General Andre-Dieudonne Kolingba, president, chief of state, and chief of Government of the Republic of Central Africa;

Gen Mohammad Ziaul Haq, president of the Islamic Republic of Pakistan;

Jean-Baptiste Bagaza, president of the Republic of Burundi;

Amin al-Jumayyil, president of the Republic of Lebanon;

Jaime Lusinchi, president of the Republic of Venezuela;

Mathieu Kerekou, chairman of the Central Committee of the Benin People's Revolutionary Party, president and chief of state of the republic, and chairman of the National Executive Council;

Maj Gen Ibrahim Babangida, president and commander in chief of the Federal Republic of Nigeria;

Corazon Aquino, president of the Republic of the Philippines;

Sultan Iskandar Al-Haj, paramount ruler of Malaysia;

Hirohito, emperor of Japan;

Jose Sarney Costa, president of the Federative Republic of Brazil;

Vere C. Bird, prime minister of Antigua and Barbuda;

Carlos Nunez Tellez, president of the National Assembly of the Republic of Nicaragua;

David Russel Lange, prime minister of New Zealand;

Prem Tinsulanon, prime minister of the Kingdom of Thailand;

The Presidium of the Supreme Soviet of the USSR and the USSR Council of Ministers;

Jigme Singye Wangchuk, king of Bhutan;

Pal Losonczy, chairman of the Presidential Council of the Hungarian People's Republic, and Gyorgy Lazar, premier of the government;

Gustav Husak, president of the Czechoslovak Socialist Republic, and Lubomir Strougal, premier of the government;

Souphanouvong, president of the Lao People's Democratic Republic and concurrently president of the Supreme People's Council, and Kaysone Phomvihan, chairman of the Council of Ministers;

Milanko Renovica, president of the Presidium of the Central Committee of the League of Communists of Yugoslavia;

Spyros Kyprianou, president of the Republic of Cyprus;

Husayn ibn Talal, king of the Hashemite Kingdom of Jordan;

Maumoon Abdul Gayoom, president of the Republic of Maldives;

Birendra Bir Bikram Shah Dev, king of Nepal;

Qabus ibn Sa'id, sultan and prime minister of the Sultanate of Oman;

Hissein Habre, president and head of state of the Republic of Chad;

Hassan Gouled Aptidon, president of the Republic of Djibouti;

Flt Lt Jerry John Rawlings, head of state and chairman of the Provisional National Defense Council of the Republic of Ghana;

Daniel Teroitich Arap Moi, president and commander in chief of the Armed Forces of the Republic of Kenya;

Moshoeshe II, king of Lesotho;

Dr Samuel Kanyon Doe, president of the Republic of Liberia;

General Moussa Traore, general secretary of the Mali People's Democratic Union, and president of the Republic of Mali;

Hassan II, king of Morocco;

Samora Moises Machel, president of the Mozambique Liberation Front and the People's Republic of Mozambique;

Brigadier General Seyni Kountche, president of the Supreme Military Council and head of state of the Republic of Niger;

Major General Mohamed Siad Barre, president of the Somali Democratic Republic;

Ali Hassan Mwinyi, president of the United Republic of Tanzania;

Ellis Clarke, president of the Republic of Trinidad and Tobago;

Ramiz Alia, president of the Presidium of the Peoples Assembly of the Socialist People's Republic of Albania;

Baudouin, king of Belgium;

Christos Sartzetakis, president of Greece;

Agatha Barbara, president of the Republic of Malta;

Ronald Reagan, president of the United States of America;

(Nolan Makongbe), acting president of the Republic of Zimbabwe;

Yasuhiro Nakasone, prime minister of Japan;

Robert Mugabe, president and first secretary of the Zimbabwe African National Union (Patriotic Front), and prime minister of the Republic of Zimbabwe;

Yasir 'Arafat, chairman of the Executive Committee of the Palestine Liberation Organization and commander-in-chief of the Palestinian Liberation Army;

Wee Kim Wee, president of the Republic of Singapore;

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PRC INTERNATIONAL AFFAIRS
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Colonel Mu'ammar al-Qadhdhafi, revolutionary leader of the Socialist People's Libyan Arab Jamahiriya;

Colonel 'Ali 'Abdallah Salih, president of the Yemen Arab Republic;

Captain Thomas Sankara, president of Burkina Faso;

Felix Houphouet-Boigny, president of the Republic of the Ivory Coast;

Hadj Omar Bongo, president of the Gabonese Republic;

Joao Bernardo Vieira, chairman of the Council of State of the Republic of Guinea-bissau;

Joseph Momoh, president of the Republic of Sierra Leone;

Yoweri Museveni, president of the Republic of Uganda;

Kenneth David Kaunda, president of the Republic of Zambia;

Virgil Barco Vargas, president of the Republic of Colombia;

Leon Febres-Cordero, president of the Republic of Ecuador;

Miguel de la Madrid Hurtado, president of the United Mexican States;

Alan Garcia Perez, president of the Republic of Peru;

Mauno Koivisto, president of the Republic of Finland;

Vigdís Finnbogadóttir, president of the Republic of Iceland;

Juan Carlos I, king of Spain;

Carl XVI Gustaf, king of Sweden;

Alphons Egli, president of the Swiss Confederation;

'Isa ibn Salman al Khalifah, emir of the State of Bahrain;

Khalifah ibn Hamad al Thani, emir of the State of Qatar;

and Javier Perez de Cuellar, secretary general of the United Nations.

GROUP OF 77 WELCOMES PRC PARTICIPATION IN GSTP

OW040922 Beijing XINHUA in English 0800 GMT 4 Oct 86

[Text] United Nations, October 3 (XINHUA) -- Foreign ministers of the Group of 77 countries today welcomed China's desire to participate in the negotiations on the Global System of Trade Preference (GSTP) among developing countries.

In a statement issued after their 10th annual meeting here this afternoon, the group said that the foreign ministers' meeting agreed to "invite China to participate in the capacity of observer at the meeting of the Negotiating Committee on GSTP at the ministerial level" to be held in Yugoslavia in September next year.

Because of the opposition of one Asian country of the group, the foreign ministers' meeting, instead of making a clear-cut decision on China's participation in the GSTP negotiations, only agreed to "request the negotiating committee on GSTP to examine this matter and to submit its views to the ministerial meeting of the G-77" preceding the 7th United Nations Conference on Trade and Development.

The foreign ministers of the Group of 77, at the end of their three-day meeting which began on September 29, held an extended meeting today to discuss China's participation in the GSTP negotiations after their internal consultations yesterday.

According to U.N. diplomatic sources who attended the group's meeting, an overwhelming majority of the foreign ministers who spoke at the meeting welcomed China's participation. However, due to the opposition by this Asian country under the pretext of procedural and other problems, the meeting failed to decide on accepting China as a full member of the GSTP negotiations.

The sources held that the foreign ministers' statement is a positive result achieved by the majority of the member countries who welcome China's participation. The decision to request the Geneva-based negotiating committee on GSTP to examine the matter is only but a compromise with the consequence of deferring China's participation. The sources said that many member countries had indicated their wishes that this particular Asian country will take into account the views of the majority of member countries and change its attitude toward China's participation in the GSTP negotiations.

In his letter to the chairman of the Group of 77 prior to the foreign ministers' meeting of the group, Li Luye, China's permanent representative to the United Nations, stated that "the Chinese Government is of the view that GSTP constitutes a major instrument for the expansion of economic and trade relations among developing countries and the promotion of South-South cooperation and that GSTP occupies a prominent place in the activities of economic cooperation among developing countries."

As a developing country, Li said, "China has consistently supported the negotiations on GSTP and is much concerned about the developments in this regard." On behalf of the Chinese Government, Li indicated in the letter that "China wishes to participate in the negotiations on GSTP so as to further strengthen the existing close ties between China and the Group of 77 and contribute to enhancing the ability of collective self-reliance as well as promoting economic development of the developing world."

COMMENTS ON UPCOMING U.S.-SOVIET REYKJAVIK SUMMIT

Foreign Ministry Spokesman

OW050834 Beijing XINHUA in English 0822 GMT 5 Oct 86

[Text] Beijing, October 5 (XINHUA) -- Chinese Foreign Ministry spokesman today expressed the hope that the coming U.S.-Soviet summit meeting held in Iceland could be conducive to the relaxation of international tension and the maintenance of world peace.

In reply to questions by foreign correspondents here, the spokesman said, "We welcome the U.S.-Soviet summit meeting and hope that the United States and the Soviet Union will negotiate in good earnest and reach agreements on the drastic reduction of armaments without detriment to the interest of other countries so as to be conducive to the relaxation of international tension and maintenance of world peace."

XINHUA Analysis

OWO51114 Beijing XINHUA in English 1052 GMT 5 Oct 86

["News analysis: What Do Gorbachev and Reagan Expect of Reykjavik Meeting?" -- XINHUA Headline]

[Text] Moscow, October 5 (XINHUA) -- The announcement that Soviet leader Mikhail Gorbachev and U.S. President Ronald Reagan have agreed to meet in Reykjavik, Iceland next week appears to have eased the strain in Moscow-Washington relations, but it is far from clear about what can be expected of their "interim" or "working" meeting.

The proposal for such a meeting was put forward by Gorbachev and accepted by Reagan. Both sides say the meeting is to pave the way for a second summit in Washington later this year.

At their first meeting in Geneva last November, Gorbachev and Reagan agreed to meet again in the United States this year. However, relations between the two countries have experienced a hard time since the beginning of this year.

Each time when it extended its unilateral moratorium on nuclear testing in the past nine months, the Soviet Union called on the United States to join in the test ban; but the call was rejected by Washington again and again, which argues that the ban was not in the interest of U.S. defense and has continued its nuclear explosions.

After the United States raided Libya in mid-April, the Soviet Union cancelled a scheduled meeting between its Foreign Minister Eduard Shevardnadze and U.S. Secretary of State George Shultz.

In September, Soviet-U.S. relations dropped to a new low because of the Daniloff case. Not long after Soviet police arrested American journalist Nicholas Daniloff on charges of spying on August 30, President Reagan warned that his new summit with Gorbachev would be impossible unless Daniloff was released.

Though the Soviet foreign minister and U.S. state secretary met several times in Washington and New York last month, yet they still failed to fix the date and agenda for the second summit.

The deadlock was broken only after Moscow set free Daniloff without trial and Washington, in turn, agreed to let the arrested Soviet employee in the United Nations Gennadiy Zakharov return home.

The day after Daniloff's departure from the Soviet Union on September 29, Moscow and Washington announced simultaneously that Gorbachev and Reagan would hold an "interim meeting" in Reykjavik, capital of Iceland, on October 11 and 12.

Shevardnadze disclosed at a press conference in New York on September 30 that Gorbachev wanted the meeting because he regarded it the "straightest and shortest way" leading to some concrete results at the second summit

Earlier in May, when Gorbachev suggested a meeting with Reagan in any European city or Hiroshima of Japan to discuss a nuclear test ban, Reagan turned down the offer. Now the U.S. President has agreed to go to Reykjavik, as he sees the possibility to reach an arms reduction agreement greater now than it was in the past few years.

According to U.S. Secretary of State George Shultz, the Reykjavik meeting is likely to reach an agreement on a disarmament program, particularly on medium-range missiles in Europe.

The Soviet side is eager to have a nuclear test ban agreement with the United States in hope of using it as a new obstacle to the U.S. "star wars" program. But people are doubtful whether the U.S. side will make a compromise on the issue.

The Reykjavik meeting will also cover regional conflicts in the world. The prospect of any major breakthrough in this aspect is by no means bright since the two sides differ sharply on Afghanistan, Kampuchea, Nicaragua, South Africa and many other regional issues.

WEN WEI PO Editorial

HK060039 Hong Kong WEN WEI PO in Chinese 4 Oct 86 p 2

[Editorial: "U.S. and Soviet Leaders Will Meet in Iceland To Seek a Breakthrough"]

[Text] All of a sudden, Washington and Moscow simultaneously announced that a summit meeting will be held in the capital of Iceland on the 11th and 12th of this month.

The idea of a summit meeting was suggested by Mikhail Gorbachev to Ronald Reagan in a secret letter delivered through the Soviet foreign minister on 19 September. Both sides haggled over it for about 10 days. The White House staff, who were not informed of the matter until 15 minutes before Reagan's announcement, were very surprised.

The secret and favorable turn of events lay in the recent incident of the "mutual arrest of spies," which shows that the United States has adopted a more aggressive attitude while the Soviet Union can only make a choice between detente and confrontation. If the Soviet Union wants "detente," it will have to make more concessions at the negotiating table. In an editorial on 23 September, THE WALL STREET JOURNAL pointed out: Being a very good "card player" Reagan can bid at a time when he is most sure of winning and gain the upper hand.

The Soviet Union does not have many cards at its disposal. Its economic power is not strong enough to compete with the United States in the arms race. It needs a breathing spell. Taking advantage of the Soviet weak point, Reagan pointed out that "detente" is also feasible but the Soviet Union should make concessions on the questions of nuclear weapons and Afghanistan.

When they met in Geneva last year, Gorbachev and Reagan only agreed to reopen the nuclear arms control talks. They attempted to seek progress on the question of intermediate-range guided missiles and to reach an agreement on a total ban of chemical weapons.

However, the positions of both sides on "star wars" were poles apart. Due to its insufficient economic power, the Soviet Union hoped that the space arms race program could be given up. But the United States rejected this. As a gesture of reconciliation, Reagan indicated this year that the United States might delay its deployment for 7 years. However, the United States may not succeed in testing the star wars weapons in 7 years and, therefore, will not be in a position to deploy them. This appeared to be a "concession" on the part of the United States; in fact, it did not budge an inch. Reagan increased his pressure through the Libya incident and the mutual arrest of spies so that the Soviet Union and the United States were on the brink of another cold war. Gorbachev's scheduled visit to the United States this year seemed to fizzle out.

Consequently, Gorbachev gave in. He set Nicholas Daniloff free and allowed dissident Yuriy Orlov to leave the country. Later, Gennadiy F. Zakharov was tried in court and expelled by the U.S. Government. It appears that the United States has won a "victory," and U.S.-Soviet relations have taken a turn for the better. The summit meeting was therefore arranged in a very short time.

Both the United States and the Soviet Union have declared that the purpose of the Iceland meeting is only to make preparations for the summit and not to reach any agreements. In truth, both sides are so afraid that the Iceland meeting will fail that they have adopted a cautious attitude. Gorbachev has the intention of "having his eyes not on a short-term but a long-term future." To satisfy the U.S. "sense of victory," he has particularly placed the question of Afghanistan on the agenda, and is prepared to begin withdrawing troops from Afghanistan in October. On the question of reducing intermediate-range guided missiles, the Soviet Union also agrees not to include British and French missiles.

After receiving the message, in his speech at the United Nations Reagan concentrated on setting forth his position on reaching a temporary agreement on intermediate-range guided missiles, thus shifting people's attention away from the "star wars program."

In such an atmosphere of reconciliation, the U.S. and Soviet leaders will probably achieve some results at the Iceland "dialogue." The Soviet Union will probably succeed in arranging Gorbachev's visit to the United States and creating an atmosphere of detente, while the United States will also gain some political capital for the mid-term election this autumn through progress in U.S.-Soviet relations. The whole world, particularly West European countries, hopes that the United States and the Soviet Union will enter into a dialogue and reduce their differences, because any reduction in their belligerency is better than large-scale arms expansion.

RENMIN RIBAO 'Jottings'

HK040903 Beijing RENMIN RIBAO in Chinese 4 Oct 86 p 7

["Jottings" by Sai Bei (1049 0554): "More on Soviet-U.S. Summit Meeting"]

[Text] After the settlement of the Daniloff's situation the Soviet Union and the United States announced that heads of state of the two countries would hold a meeting in Iceland on 11 and 12 October, and that this meeting might make preparations for an official meeting which might possibly be convened by the end of this year. Just as this author previously pointed out, this dramatic change has shown that the United States and the Soviet Union truly have their own needs for a summit meeting.

Judging from the views aired by both American and Soviet leaders on the meeting, there seems to be a possibility of reaching a certain agreement on arms control. For example, President Reagan said: "The present possibility of reaching an agreement on arms reduction is much greater than a few years ago." Secretary of State Shultz pointed out: the view that "a consensus on a arms reduction plan might be reached" at the meeting is "reasonable enough." Soviet Foreign Minister Shevardnadze emphasized: With regard to the problem of arms control, "a breach has been made in the impasse." In view of the fact that the United States and the Soviet Union need to reduce their military expenditures, the remarks they have uttered are not without cause.

Nevertheless, it seems impossible to significantly ease the tension between the United States and the Soviet Union, and to appreciably solve problems existing between them. The conflicts between them are too acute. Neither of them is willing to give up its efforts to scramble for supremacy. The United States keeps on pursuing its "star wars" programs, whereas the Soviet Union still wants to maintain its strategic points in Afghanistan, Southeast Asia, and so on. Their confrontation is permanent and serious, whereas the easing of tension between them is only temporary and partial. However, a temporary easing of tension is better than strained relations. This is because it will provide people of various countries in the world with a good chance to fight for a lasting world peace. The true hope of safeguarding world peace should be placed on the struggle of the people of various countries who are fighting for a lasting peace.

HSIN WAN PAO 'News Talk'

HK050333 Hong Kong HSIN WAN PAO in Chinese 4 Oct 86 p 1

["News Talk" column: "U.S. and Soviet Leaders Have Their Own 'Strategies for Iceland Meeting'"]

[Text] The U.S. and Soviet leaders will meet in Iceland next week and they have decided to impose an information blackout. Nothing will be known until 2 days later when the meeting is over.

Despite this, both sides have revealed their demands and both have made their own strategic preparations.

The Soviets have been more specific and have decided on arms control and arms reduction as their major offensive objective. This is not surprising because Gorbachev has been trying to attract attention and stall the United States' "star war program" by unilaterally suspending its nuclear tests. This time, when he proposed the Iceland meeting, he still regarded this as his primary objective.

The United States has been rather vague. Its spokesman indicated that Reagan would be pleased if better understanding could be reached at the meeting. The U.S. objective in Iceland is to reduce differences.

He also revealed that the United States was not willing to confine discussion to arms control and that it insisted that regional issues also be discussed.

Soviet occupation of Afghanistan, the unrest in Latin America, and the tension in the Middle East are what the United States refers to as regional issues.

In other words, while the Soviet Union wants to discuss space (star wars) issues, the United States wants to discuss earthly (regional) issues in order to check the Soviets. The same thing happened at the U.S.-Soviet summit last year. Ten months later, the same thing has happened again.

Over the past 10 months, the United States has made some progress in its research work concerning the "star wars program." The United States took action first. Recently, in an experiment, it successfully launched an anti-missile missile, launched two satellites from a missile, and made these two satellites destroy themselves and each other in a head-on collision.

In addition, by political and economic means, the United States has managed to secure international support for its "star wars program" by making Britain, West Germany, Japan and Israel announce their participation in the research concerning this program.

In order to counter the Soviet test-ban proposal and its attempt to stall the research regarding the "star wars program," Reagan has announced that "star wars" weapons would not be officially deployed until 7 years later. In fact, it will take at least 5 to 7 years for this research to bear fruit and for this fruit to become operational.

The Soviet Union is obviously also well prepared for the regional issues which the United States wants to discuss. Yesterday, some West German newspapers revealed that Gorbachev could announce in Iceland the withdrawal of all Soviet troops in Afghanistan.

This summer, Gorbachev also said something on the withdrawal of Soviet troops from Afghanistan. However, at that time, he said that only three brigades would be withdrawn. According to West German newspapers, its entire force of 120,000 will be withdrawn this time. However, the reports are not clear enough. Will all 120,000 soldiers be withdrawn at the same time? Will some of them be withdrawn before others, as Gorbachev said this summer? What will the Soviets ask the United States to do regarding its arms supply to the guerrilla force? Will it ask that the security of the present government in Afghanistan be internationally ensured?

Yesterday, leaders of six Third World countries asked once again the United States and the Soviet Union to suspend nuclear tests. Chinese officials hope that the Soviet and U.S. leaders will contribute to upholding world peace by reaching an agreement at their meeting. Thus, it can be seen that the problem of how to avert a nuclear holocaust is indeed a world concern. However, regarding this, no one is certain whether progress will be made at the Iceland meeting.

SOVIET VICE FOREIGN MINISTER BEGINS VISIT

Arrives in Beijing

OW050830 Beijing XINHUA in English 0814 GMT 5 Oct 86

[Text] Beijing, October 5 (XINHUA) -- Soviet Vice-Foreign Minister I.A. Rogachev arrived in Beijing this morning as special envoy of the Soviet Government to attend the ninth round of consultation between special envoys of the Chinese and Soviet Governments scheduled to start tomorrow.

Greeting him at the airport were Qian Qichen, special envoy of the Chinese Government and Chinese vice minister of foreign affairs, and O.A. Troyanovskiy, Soviet ambassador to China.

According to sources here, at the coming consultation discussion will be continued on the question of normalizing relations between the two countries.

This is Rogachev's third trip to China this year. In reply to a question whether the Soviet and Chinese sides were to discuss the removal of the three obstacles between the two countries, Rogachev replied, the Soviet side is ready to discuss any questions that interest both parties.

He said that the Soviet side would hold discussion according to the speech made by General Secretary Gorbachev in Vladivostok (Haishenwei) July 28.

Speaking of the Sino-Soviet relations, Rogachev held that these relations are developing.

To Discuss Gorbachev Proposal

OW051139 Tokyo KYODO in English 1131 GMT 5 Oct 86

[Text] Beijing, Oct. 5 KYODO -- Soviet leader Mikhail Gorbachev's proposal for improving Sino-Soviet relations, made in his Vladivostok speech July 28, will be a major topic at the ninth round of the bilateral normalization talks which begin here Monday.

This was predicted by Soviet delegate, Vice Foreign Minister Igor Rogachev, upon his arrival here Sunday for the negotiations with his Chinese counterpart, Vice Foreign Minister Qian Qichen.

Rogachev also told reporters that the talks would be productive, stressing that Sino-Soviet relations are getting better year by year.

The coming round will last about five days.

Rogachev's prediction suggests that his talks with Qian would reveal which points in Gorbachev's proposal China will accept or refuse.

In his Vladivostok speech, Gorbachev made a peace overture which addressed two of what China calls the three obstacles to normalizing Sino-Soviet relations -- Soviet troops in Afghanistan and in China-Soviet and China-Mongolia borders.

Gorbachev promised the pullout of six regiments from Afghanistan and proposed troop reduction in the border area. But he did not address what Beijing calls another obstacle -- Moscow's support of the Vietnamese military presence in Kampuchea.

An East bloc source here speculated that Rogachev and Qian would have a substantial exchange of views on Gorbachev's proposal. Both sides may come up with proposals regarding Vietnamese troop withdrawal from Kampuchea, the source also predicted.

According to the same source, as a first-phase step, the Soviet Union hopes for talks between the Hanoi-backed Kampuchea Government of Heng Samrin and Prince Norodom Sihanouk, president of the three-party Kampuchean resistance coalition, Democratic Kampuchea.

The East bloc source pointed to the possibility of Moscow asking Beijing to press Sihanouk to accept such talks with the Heng Samrin group.

China and the Association of Southeast Asian Nations (ASEAN) supports Sihanouk's coalition which is currently recognized as representing Kampuchea by the United Nations.

Rogachev, 54, was promoted to vice foreign minister in August from the post of head of the Foreign Ministry's First Far East Department in charge of Chinese affairs.

Chinese Foreign Ministry sources are said to highly rate the ability of Rogachev, who is fluent in Chinese, and hope his debut in the normalization talks will lead to a breakthrough in the long-dragging talks. Rogachev replaced Leonid Ilichev as delegate to the vice ministerial talks.

Meanwhile, Rogachev also disclosed to newsmen at the airport that the Soviet Union and China have already agreed to start border negotiations "early next year." Preparatory consultations are under way, he added.

Chinese Foreign Minister Wu Xueqian and his Soviet counterpart Eduard Shevardnadze agreed during their New York meeting last month that the two countries will resume the border talks next year. They have been suspended since May 1978.

SOURCES SAY PRC STUDYING USSR BORDER PROPOSAL

OWO40725 Tokyo KYODO in English 0714 GMT 4 Oct 86

[Text] Beijing, Oct 4 KYODO -- China has agreed to study a Soviet proposal for joint development of some islands in the Amur River, the site of fierce armed conflicts over sovereignty between the two countries since the early 1960s, according to authoritative Chinese and Eastern bloc diplomatic sources here.

The Soviet proposal, based on the "basic policy line of the Soviet Union" expounded by Mikhail Gorbachev in a July 28 speech in Valdivostok, was explained by Soviet Deputy Premier Nikolay V. Talyzin to his Chinese counterpart Yao Yilin during his Beijing visit last month, the sources said.

The proposed region includes Heixiazi, an island with a maximum width of some 4 kilometers sandwiched between two waterways, where a border conflict between Chinese and Soviet troops claimed more than 100 lives in March 1969.

The Soviet proposal calls for shelving of claims to the islands until the sovereignty issue is settled at Sino-Soviet border talks to be resumed next year, as well as removal of tension in the border region through joint development with China.

China's Communist Party General Secretary Hu Yaobang disclosed the intention of reopening the talks in an interview with foreign visitors in mid-September, before a formal agreement on the issue between Foreign Minister Wu Xueqian and his Soviet counterpart Eduard Shevardnadze in New York September 24, Chinese sources said.

Behind Hu's decision lay his positive assessment of the Soviet plan as "containing a new factor" for solution of bilateral border disputes, they said.

Hu, in the interview, also indicated the idea of opening to foreign trade Heihe, a city on the Sino-Soviet border, and Tongjiang, another city near Khabarovsk.

RESUMPTION OF CPC, CPSU RELATIONS 'DIFFICULT'

HK040828 Hong Kong TA KUNG PAO in Chinese 4 Oct 86 p 1

[Report: "It is Difficult To Restore Party Relations Between CPC and CPSU Because State Relations Have Not Yet Been Normalized"]

[Text] Beijing, 3 Oct -- Wu Xingtang, a spokesman of the CPC Central Committee International Liaison Department, said today: Soviet leaders have not yet made any reaction to date to the proposal raised by Deng Xiaoping that he or Hu Yaobang is willing to meet Gorbachev at any place inside the Soviet Union on condition that the Soviet Union stops supporting the Vietnamese invasion of Cambodia, although they have learned of the proposal.

Wu Xingtang uttered the remarks when answering questions raised at today's luncheon held by the All-China Journalists' Association.

While talking about party relations between the CPC and CPSU, Huanan Guoying, director of a department responsible for the Soviet and East European affairs said: General Secretary Hu Yaobang pointed out in his report delivered at the 12th CPC National Congress that on the basis of Marxism, and the four principles of independence, complete equality, mutual respect and noninterference in internal affairs, the CPC had prepared to develop relations with all communist parties in the world. The CPSU is not excluded in this regard. Now the problem is that the state relations between China and the Soviet Union have not yet been normalized, and that there are still obstacles to Sino-Soviet relations. Therefore, it is impractical to talk about the restoration of party relations between the CPC and CPSU under the present situation.

Wu Xingtang revealed that after the statement issued by Gorbachev at Vladivostok, Sino-Soviet talks on the border issues at the vice foreign ministerial level might be re-opened. The 9th round of talks between Chinese and Soviet vice foreign ministers held in October might discuss this matter. He added: There are 500 to 600 controversial islands inside China located to the south of the main channels of Heilong Jiang and Ussuri Jiang in the northeastern part of China. According to the spirit of Gorbachev's speech, these islands belong to China.

FURTHER REPORTAGE ON LI XIANNIAN'S VISIT TO DPRK

Warmly Welcomed by Crowds

OW031458 Beijing XINHUA in English 1440 GMT 3 Oct 86

[Text] Pyongyang, October 3 (XINHUA) -- Chinese President Li Xiannian and his wife Lin Jiarui arrived here this morning to begin a four-day official goodwill visit to a rousing welcome by hundreds of thousands of Pyongyang residents.

The president, also a member of the Standing Committee of the Political Bureau of the Chinese Communist Party Central Committee, and his party were warmly greeted at the Sunan Airport by General Secretary of the Central Committee of Workers' Party of Korea (WPK) and President of the Democratic People's Republic of Korea (DPRK) Kim Il-song and his wife Kim Song-ae, and Politburo member of the WPK Central Committee and premier of the Administrative Council of Korea Kang Song-san.

Pyongyang today is gaily decorated with bunting and flowers and colorful placards were seen along the main roads of the capital. Streamers bearing words "Welcome to Chinese President Li Xiannian" hung across the streets. "Friendship" and "Solidarity" were written on boards erected along the streets and Korean and Chinese national flags were fluttering on the lamp posts.

At 11:30 hours local time, Li's special plane touched down at the Sunan airport. When he stepped down from the plane, President Kim went up and the two shook hands, warmly embraced each other.

Kim Il-song introduced to President Li other Korean leaders present at the airport to greet him.

Chief member of Li's entourage Wu Xueqian, member of the Political Bureau of the CPC Central Committee, state councillor and foreign minister, arrived on board the same plane.

A grand welcoming ceremony was held at the airport. The national band played the national anthems of both countries and there was a 21-gun salute. Accompanied by Kim Il-song, Li reviewed a guard of honour of the three Korean armed services.

Lovely Korean girls presented bouquets to Li Xiannian and Kim Il-song. Meanwhile, two girls from the Chinese embassy here presented bouquets to President Kim and President Li.

Thousands of people gathered at the airport to welcome the Chinese guests. Girl students in beautiful national costumes danced in light steps while well-wishers shouted welcome slogans rhythmically. When the Chinese president came up to them, they cheered thunderously and Li Xiannian waved back to them happily.

Li Xiannian and Kim Il-song rode in the same open car, escorted by a team of motor-cycles, from the airport to the city center. Lining on both sides of the road, welcoming crowds, holding miniature national flags of Korea and China, singing and dancing, cheered most warmly as the motorcade passed by.

On the way, President Li stepped down from his car four times to receive bouquets presented by Korean children and souvenirs by the Pyongyang Municipal People's Committee.

The welcome reached its climax at the Kim Il-song Square in the city center, where a chorus sang greeting songs and thousands of people performed national dances of both Korea and China.

Kim Il-song Hosts Banquet

OW031753 Beijing XINHUA in English 1737 GMT 3 Oct 86

[Text] Pyongyang, October 3 (XINHUA) -- Chinese President Li Xiannian and his wife Li Jiamei were honoured at a banquet hosted by Korean President Kim Il-song and his wife Kim Song-ae in the Kumsusan Assembly Hall here this evening.

Over 300 Korean and Chinese attended the banquet, among whom were Chinese Foreign Minister Wu Xueqian, Korean Premier Kang Song-san and Pak Song-chol, Yi Chong-ok, vice presidents of the Democratic People's Republic of Korea (DPRK) as well as all the members of the Chinese leader's party and senior Korean party, government and army leaders. Chinese ambassador to Korea Zong Kewen was also present on the occasion.

President Kim Il-song in his speech at the banquet, expressed warm welcome to the Chinese president in the name of the Workers' Party of Korea, the government of DPRK and the Korean people.

On relations between the two countries, Kim said that the two countries and their peoples have had a durable, traditional and unbreakable friendship.

In recent years, he added, "the relations between the two countries have been developing to a new, higher stage, adding a brilliant chapter to the glorious history of their friendship, and that a solid foundation has been laid on which they will flower forever from generation to generation."

The Korean leader praised Chinese people's achievements in attaining nationwide stability and unity and building socialism with Chinese characteristics.

"The historic change made by the Chinese people and the increased might of the People's Republic of China are contributing greatly to the strengthening of the anti-imperialist, independent forces the world over and to the preservation of peace and security in Asia and the rest of the world," he said.

Kim stressed that "it is the consistent policy of both the Korean and Chinese parties and governments to fight to prevent war and create peaceful environments for socialist construction."

On regional issue, he said, "Our party and the government of the republic are making every effort to ease the tension on the Korean peninsula and settle the problem of national reunification peacefully."

In addition, he said that frequent visiting and exchanging views on issues of mutual concern between the two countries' leaders "have become a fine tradition and, in the course of this, the friendship between Korea and China has been consolidated and developed continuously."

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At the end of the speech he stressed that "the Korean people will continue to make efforts to strengthen the traditional Korea-China friendship in future and resolutely fight to build a peaceful new world which is free from domination and subjugation, in firm unity with all the progressive people of the world."

Following Kim, President Li addressed the banquet.

Li praised the Korean people for their great achievements in their socialist construction and other fields and for having been "politically independent, economically self-supporting and self-reliant in national defense."

Li said that having completed the Second Seven-Year Plan, the Korean people are now striving to realize the 10 long-term projects envisaged for the 1980s.

In foreign affairs, Li said, the Democratic People's Republic of Korea has been pursuing a policy of independence, friendship and peace and actively developing friendly relations with various countries.

As comrades-in-arms, Li said, the Chinese people have been following closely the development of the DPRK, fully respect its domestic and foreign policies and are pleased with every achievement the Korean people have made.

The Chinese president noted, "We always hold that the United States should stop its intervention in Korea's internal affairs, withdraw all troops and military installations from South Korea and let the Korean people resolve the issue of peaceful reunification by themselves without outside interference." He continued: "We firmly support your just stand and reasonable propositions and heartily wish new progress in your cause for national reunification. We are sure that ultimately a united and peaceful Korea will emerge."

He concluded, "I am sure that the great Sino-Korean friendship will be able to experience any sort of trials and it will be developed from generation to generation. In this way, our peoples will be benefited and it will also be a greater contribution to peace in Asia and all over the world."

The banquet is permeated with cordial friendship of fraternity of the Chinese and Korean peoples.

Wu Xueqian Visits Tower

OWO31601 Beijing XINHUA in English 1515 GMT 3 Oct 86

[Text] Pyongyang, October 3 (XINHUA) -- On behalf of Chinese President Li Xiannian, State Councillor and Foreign Minister Wu Xueqian laid wreaths this afternoon at the Taesongsan Cemetery of Revolutionary Martyrs and the Korea-China Friendship Tower respectively.

The wreaths dedicated by the Chinese president at both places were with ribbons inscribed with "Eternal Glory to the Korean Revolutionary Martyrs" and "Eternal Glory to the Chinese People's Volunteers."

Located at Taesongsan Mountain, the Taesongsan Cemetery of Revolutionary Martyrs, where are buried the Korean revolutionary fighters fallen in the struggle for freedom and liberation of the Korean people, was constructed in October 1975 and reconstructed in 1985.

The Korea-China Friendship Tower, situated on the hillside north of Moranbong Park in Pyongyang, was erected in October, 1959, to commemorate the Chinese People's Volunteers' participation in the Korean war in the early 1950s. The tower now is 30 metres in height after being rebuilt in 1984.

Kim Yong-nam, vice premier and foreign minister of Korea, accompanied Wu in the wreath-laying ceremonies.

Li, Kim Holds Talks

OWO41330 Beijing XINHUA Domestic Service in Chinese 0843 GMT 4 Oct 86

[Text] Pyongyang, 4 Oct (XINHUA) -- Li Xiannian, member of the Standing Committee of the Political Bureau of the CPC Central Committee and state president, who is paying an official and friendly visit here, held more than 2 hours of talks with Kim Il-song, general secretary of the Workers Party of Korea and state president, at the Kumsusan Assembly Hall this morning.

When President Li Xiannian arrived at the reception room of the hall 1000 hours, President Kim Il-song, who had been waiting for him, walked vigorously forward to meet him. They shook hands and exchanged greetings.

President Kim asked: Have you rested well? President Li said: Very well. After getting out of bed in the morning, I took a walk for an hour. Presidents Li and Kim then shook hands with the other officials accompanying the two leaders.

The two presidents then walked slowly into the conference room.

Before official talks were held, the two presidents inquired about the health of leaders of the two countries. When asked, President Li said: Comrade Deng Xiaoping is very healthy. We wish him a long life. President Kim said: The people of China and Korea all wish Comrade Deng Xiaoping a long life.

President Kim said: We hope China's modernization policy will succeed. President Li said: We also hope it will succeed, but some local problems may arise.

President Kim continued by saying: "On behalf of the Workers Party of Korea, the republic government, as well as myself, I once again extend a warm welcome to you for leading a delegation to visit our country, despite your advanced age. As you are an old friend of the Korean people, we shall not adhere to diplomatic formalities during our talks."

After this, in an extremely cordial and friendly atmosphere both sides exchanged views on bilateral relations and questions of common interest to the two countries.

In the first place President Li Xiannian extended his heartfelt thanks for the warm and ceremonial welcome accorded his official and goodwill visit to Korea by President Comrade Kim Il-song, the Workers Party of Korea, the Korean Government, and the Korean people. Li Xiannian said: Six years have passed since my last visit in 1980. I am extremely pleased to see that Comrade Kim Il-song is very healthy. He also conveyed the regards of Hu Yaobang, Deng Xiaoping, Zhao Ziyang, Chen Yun, Peng Zhen, and Deng Yingchao for Kim Il-song.

Referring to bilateral relations, Li Xiannian said: The relations between the two Chinese and Korean parties and between the two countries are very good. The exchange of visits by many important delegations from both countries each year has played a positive role in deepening mutual understanding, and in promoting cooperation, friendship, and learning from one another. Li Xiannian also said: We also have a good tradition between us, that is, leaders of our two countries meet frequently, as relatives, to exchange views. This practice was followed when Chairman Mao and Premier Zhou were alive. We should also continue to follow this practice. This type of close relationship between the leaders of our two countries is rarely seen in other countries. Both sides are convinced that the friendly relations between China and Korea will not only exist in our generation but will be passed on from generation to generation.

Li Xiannian briefed Kim Il-song on the recently held 6th Plenary Session of the 12th CPC Central Committee.

Kim Il-song briefed Li Xiannian on the economic development of Korea and the main tasks of the Third 7-Year Plan. The plan, he said, aims to solve the problems of food, clothing, and housing for the people.

Kim Il-song also briefed Li Xiannian on the situation in the Korean Peninsula. He said: Korea will adhere to its stand on holding tripartite talks and forming the Democratic Confederal Republic of Koryo. It also proposes the holding of peace talks between the two sides of North and South Korea.

Both sides also discussed the Cambodian problem. They pointed out that both sides shared the same view on this problem.

When the talks ended, President Li Xiannian presented a gift to President Kim Il-song: a jade potted landscape with a red agate "camellia." Full of vitality, the gift is a reflection of prosperity and is the symbol of peace, happiness, and longevity.

Taking party in the talks today on the Chinese side were Wu Xueqian, Li Shuzheng, Liu Suqing, Tao Siju, Xu Guibao, and Zong Kewen. Taking part in the talks on the Korean side were Yi Chong-ok, Kim Yong-nam, Kim Pok-sin, Kim Yang-kon, Yi Won-kuk, Kwak Po-kyong, and Sin In-ha.

Leaders Attend Theater

OWO41632 Beijing XINHUA in English 1619 GMT 4 Oct 86

[Text] Pyongyang, October 4 (XINHUA) -- Visiting Chinese President Li Xiannian and his wife Lin Jiamei watched a performance at the Mansudae Art Theatre here this evening.

When the Chinese president and his party, together with Korean President Kim Il-song and other Korean leaders, entered the 60,000-square-metre theatre decorated with colorful lights, they received a prolonged standing ovation from the audience.

Korean artists presented an hour-long programs, half of which Chinese songs and dances. [sentence as received]

The atmosphere of friendship was heightened when the last item of the show was given -- "Song of Korean-Chinese Friendship and Solidarity" in which actors and actresses performed dances of Korea and China amidst light music.

After the performance, Li Xiannian and his party mounted th stage and shook hands with the artists. They presented a basket of flowers in expression of thanks to the Korean artists for their excellent performance, and took a photo together.

Foreign Minister Wu Xueqian and Lin Jiamei and other Chinese guests visited this afternoon Mangyongdae, President Kim's birthplace, some 20 kilometers southwest from the capital. They also visited Chuche Idea Tower, a monument to the revolutionary past of President Kim Il-song.

Earlier yesterday afternoon, accompanied by President Kim Il-song, the Chinese president watched a grand mass callisthenics held in his honor at the Kim Il-song Stadium which was occupied by more than 100,000 people. Over 50,000 Korean youth and students presented hour-long varied and colorful performances.

Li Hosts Farewell Banquet

OW051519 Beijing XINHUA in English 1457 GMT 5 Oct 86

["Li Xiannian Gives Farewell Banquet in Pyongyang (by Qi Deliang)" -- XINHUA headline]

[Text] Pyongyang, October 5 (XINHUA) -- Visiting Chinese President Li Xiannian gave a farewell banquet at the Kumsusan Assembly Hall this evening, hailing the great Sino-Korean friendship and unity and pledging to further them.

Korean President Kim Il-song and other senior Korean party, government and army leaders, the members of Li's party, and some 300 Korean and Chinese comrades attended the function.

Addressing the banquet, the Chinese president said that he and his colleagues were gratified with the success of this visit which would make contributions to the futher strengthening of Sino-Korean friendship.

Referring his talks with President Kim, President Li said they had useful discussions on the major international issues and "both sides held relaxation the situation on the Korean peninsula is of great importance to accelerating the realizaion of independent and peaceful reunification of Korea and to the peace and stability in Asian-Pasific region as a whole and further efforts must be made for this." The Chinese president said that the Chinese party and Government firmly support the propositions and proposals put forward this year by the Korean party and government for the unification of the country which include both sides stopping military exercises during the North and South talks, holding tripartite talks between the military authorities of North, South Korea and U.S. military stationed in South Korean and establishing a peaceful nuclear-free zone of the Korean peninsula.

Li said that the U.S. Government and South Korean authorities must respond to this actively, stop the annual large scale military exercises, explore seriously with the North side the practical ways for relaxing the situation on the Korean peninsula so as to create a beneficial atmosphere for discussion and solution of the peaceful reunification of Korea.

In conclusion, Li expressed the confidence that the parties, governments and the peoples of the two countries will surely further strengthen the unity, cooperate closely, support and help each other in the cause of the socialist construction and the struggle for the realization of national reunifications.

Following Li, Korean President Kim Il-song addressed the banquet.

Kim said Comrade Li's visit to Korea is of great importance, which clearly showed the unbreakable Korean-Chinese friendship and was a turning point for further strengthening the unity and friendly cooperation between the parties, governments and the peoples of the two countries.

He said through this meeting and talks "we furthered the intimate relations between the leaders of the two countries and reconfirmed the common aspiration of the parties, governments and peoples of the two countries to strengthen and develop the traditional Korea-China friendship, accelerate socialist construction, and fight to preserve peace in Asia and the rest of the world."

President Kim said that the Korean people will fight to win the complete success of socialism, accomplish the cause of national reunification and preserve world peace and security.

He said the resolution adopted at the Sixth Plenary Session of 12th Chinese Party Central Committee is of great significance.

In the conclusion, President Kim said that to continue to strengthen and develop the traditional friendship between China and Korea is an unchangeable will of the Korean party, government and the people.

The banquet hosted by the visiting Chinese President proceeded in a very cordial and friendly atmosphere.

Li Xiannian is here for a 4-day official goodwill visit as the guest of Kim.

Kim Il-song Pays Return Call

OW060730 Beijing XINHUA in English 0715 GMT 6 Oct 86

[Text] Pyongyang, October 6 (XINHUA) -- President Kim-Il-song of the Democratic People's Republic of Korea, and his wife Kim Song-ae paid a return call on Chinese President Li Xiannian and his wife Lin Jiamei here this morning.

The Korean leader and his wife drove to the Pakhuawon Guest House at 10:00 am local time and were warmly greeted at the entrance by President Li and his wife.

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In a cordial conversation, President Li once again expressed his heartfelt thanks for the warm hospitality accorded to him by the Korean party and government during his four-day visit.

The two leaders expressed satisfaction with the complete success of Li's visit.

Li Ends Visit, Returns Home

OW060934 Beijing XINHUA in English 0926 GMT 6 Oct 86

[Text] Pyongyang, October 6 (XINHUA) -- Chinese President Li Xiannian and his wife Lin Jiamai left here for home by special plane this afternoon after winding up a successful four-day official goodwill visit to the Democratic People's Republic of Korea.

During his visit, President Li and President Kim Il-song had a thorough exchange of views on the present international situation, the situation in Asia and on the Korean peninsula in particular. The two leaders shared identical views on all matters discussed.

Accompanied by President Kim and his wife, Li Xiannian and his party drove directly from the Pakhuawon Guest House to the airport. Hundreds of thousands of people lined up on both sides of the streets in the capital to see the Chinese guests off.

When the motorcade arrived at the airport, thunderous cheers broke out from thousands of people gathering there, who waved Korean and Chinese national flags, bidding farewell to the Chinese distinguished guests.

A grand farewell ceremony was held at the airport. The military band played the national anthems of both countries. Li, accompanied by Kim, reviewed a guard of honour of Korea's three armed services.

Then the two leaders warmly shook hands with and embraced each other before they parted reluctantly.

Foreign Minister Wu Xueqian and other members of Li's party also left by the same plane.

XINHUA NOTES CLOSE OF THE ASIAN GAMES IN SEOUL

OW051300 Beijing XINHUA in English 1133 GMT 5 Oct 86

["Seoul, Asian Games Closes in Fanfare by Sportswriter Hao Zhangyin" -- XINHUA headline]

[Text] Seoul, October 5 (XINHUA) -- Blowing of traditional horns and trumpets, beating of drums and gongs and a dazzling flashlight show brought to conclusion the 16-day Seoul Asian Games at the olympic stadium here this evening.

Flashlights in five colors on the stands formed "Ever Onward" and "See You in Beijing" as the floodlights in the stadium dimmed.

At 19:00 hours local time, the closing ceremony began with bell beating and pompous fanfare. As athletes representing 27 countries and regions entered the stadium in mixed ranks amidst court music, the audience gave a long ovation.

Flags of the Olympic Council of Asia and the hosts of this and next Asiad were hoisted when Chinese scenes appeared on the electronic scoreboard.

Seoul dancers in their colorful costumes gave beautiful performances that depicted oriental traditions, culture and life.

The most valuable player Yu Nam-kyu, chosen by a panel of ten journalists yesterday, was awarded a replica of the Yi Sang-paek Cup amidst cheers and applause. As Yu had left for China for the Asian Table Tennis Championships scheduled to open next Tuesday, his father received the replica on his behalf.

The president of the Seoul Asian Games Organizing Committee, Pak Se-chik, said in his closing address that this moment of celebration "is also a moment of pledging ourselves anew towards a better tomorrow and everlasting progress.

Shaykh Fahad al-Ahmad al-Sabah, president of the Olympic Council of Asia, declared the Tenth Asian Games closed.

Then, the flag of the Asian Games was lowered and handed over to Seoul Major Yom Po-hyon. It will be handed over to the mayor of Beijing when the Eleventh Asian Games open in Beijing in 1990.

The sacred flame was extinguished as dancers mixed themselves with athletes, who sang the folk song, "Arirang," to say farewell to each other and promised to meet again in Beijing in 1990.

NEPAL PRIME MINISTER PRAISES NEPAL-PRC RELATIONS

OW260913 Beijing XINHUA in English 1858 GMT 25 Sep 86

[Text] Katmandu, September 25 (XINHUA) -- Nepalese Prime Minister Marich Man Singh Shrestha said here today that based on the principles of peaceful co-existence, Nepal and China have maintained good relations since the establishment of diplomatic relations in 1955.

The prime minister made the remarks at a public meeting sponsored by the Nepal-China Friendship Association marking the 37th national day of the People's Republic of China at the city hall this evening.

He noted that Nepal always stresses the view of peace for development and pays high tribute to China's support for the proposal that Nepal be declared a zone of peace.

The prime minister also praised China's economic assistance for Nepalese development. With strengthening economic and trade cooperations and establishing airlink between Katmandu and Lhasa in the near future, the two countries' relations will be promoted and grow closer day by day.

On the occasion, Purna Bahadur M.A., chairman of Nepal-China Friendship Association, said that China is the most reliable friend of Nepal. China's aid contributes to Nepal's efforts for achieving economic self-reliance, he added.

Tu Guowei, Chinese ambassador to Nepal, expressed his deep confidence that China-Nepal friendship conforms to the basic interest of the two countries and contributes to preserving the regional peace.

Earlier, the Nepalese prime minister cut the ribbon for the opening of an exhibition on China's development with 320 colour pictures reflecting the progress in various fields of China.

At the same time, a Chinese film festival has begun at the city hall. Seven feature films and some documentary ones will be shown from September 25 to 29 to mark China's National Day.

HUANG HUA MEETS WITH IRANIAN GOODWILL DELEGATION

OW250119 Beijing XINHUA in English 1814 GMT 24 Sep 86

[Text] Beijing, September 24 (XINHUA) -- Huang Hua, vice-chairman of the Standing Committee of China's National People's Congress, met an Iranian goodwill delegation led by Dr. Abdollah Jafar Ali Jasebi, president of Iranian Islamic University and deputy general-secretary of the Islamic Republican Party, here today.

The delegation is the first of the kind to visit China at the invitation of the Chinese People's Association for Friendship With Foreign Countries.

JINGJI RIBAO DISCUSSES SPIRITUAL CIVILIZATION

HK031405 Beijing JINGJI RIBAO in Chinese 25 Sep 86 p 1

[Commentator's article: "Let the Building of Spiritual Civilization Penetrate Into All Economic Fields"]

[Text] The building of socialist spiritual civilization was proposed under the new situation, which is characterized by shifting the work focus of the entire party to modernized economic construction. In order to make the economy leap, we have implemented all-round reform and opening up to the outside world under the premise of adhering to the four cardinal principles. This new situation has provided favorable conditions for the building of spiritual civilization, namely, the building of socialist spiritual civilization must prepare the public for the development of socialist productive forces, penetrate into every economic field, and embody every respect of the economy, politics, culture, and social life.

Socialist spiritual civilization is a broad based concept. Its substantial parts include education, science, ideology, culture, art, public health, and sports. The development of all these fields relies on the upgrading of productive forces. At the same time, socialist spiritual civilization directly shapes and spurs productive forces and provides spiritual motive forces and intelligence support for the development of material civilization.

Science, education, and culture are important components of socialist spiritual civilization. Their further development depends on the development of material conditions; they are at the same time revolutionary forces that guide and spur economic development. Science and technology (including social sciences) themselves are a kind of productive forces. Education shoulders the important tasks of upgrading the workers' ideological qualities and knowledge in science and culture, as well as their labor skills. Its results have a direct bearing on productive forces. Cultural and artistic qualities are important elements of the workers' abilities and type of indirect productive forces. Well developed science, education, and culture are the basis for the development of modern productive forces. A major task in building socialist spiritual civilization is to work hard to develop undertakings of science, education, and culture on existing material basis and to link them closely with the undertakings of science, education, and culture on the existing material basis, in order to upgrade the workers' ideology and morality and their level of culture, science, and technology.

Another important component part in the building of socialist spiritual civilization is the people's spiritual life, mental state, changes in these respects need a certain foundation of material civilization, but in turn, spur the building of material civilization. The reform and opening up in recent years have brought about a series of positive changes in the spiritual life, mental state, and ideological concept of thousands upon thousands of people. They are abandoning conventional ideas and concepts and enthusiastically facing modernization, the world, and the future. These laudable changes have emerged under the condition of the continuous, steady, and harmonious development of the national economy and the ever improving living standards of the people. They also serve as a tremendous spiritual motive force to further develop the economy and to improve the people's living standards.

Still another important essence of building socialist civilization is the building of socialist morality. Morality, as the behavioral norm of socialist construction, is the spiritual force of the new-type social relations between man and man, as well as a force to promote the development of productive forces. Professional ethics and social morality, in particular, have a conspicuous effect on productive forces. Lofty professional ethics will strengthen the sense of responsibility and enterprising spirit of the workers in doing their jobs and is helpful in adopting a good attitude toward their work as well as cultivating the virtue of showing respect to customers. This is indispensable to upgrading the quality of products, service, and work. Lofty social morality is helpful to establishing and developing new-type human relations based on equality, unity, friendship, and mutual help. The shaping of a good social atmosphere will reduce friction between workers. This is very important to promoting reform and the four modernizations.

Establishing a high level of democracy and improving the legal system in order to guarantee such democracy is also an important component of building socialist spiritual civilization. The building of democracy is inseparable from economic activities. Political structural reform, such as separating functions of the party and government, decentralizing power, streamlining administrative organs, reforming the cadre system, and improving the policy decision-making process and other specific systems, raising work efficiency, and further expanding socialist democracy and the legal system, is to meet the needs of economic structural reform as well as to invigorate the enterprises and further develop a material civilization, a high level of democracy and a complete and perfect legal system will lose the base of its growth and target of development.

Our country and nation have a common ideal and target of struggle. This is the powerful spiritual pillar of our society, as well as the important embodiment of the building of spiritual civilization. This common idea is to build socialism at present, and communism in the future. The first step of the common target is to build China into a socialist country with a "comparatively well-to-do" living standard by the year 2000; and the second step is to build China into a modernized socialist country with an economic level close to the developed countries with a prosperous civilization. Such a common ideal and target will be realized only when they are linked with the development targets and construction tasks of all trades and professions as well as all localities and collectives, and the responsibility of the workers, peasants, and intellectuals in their posts as well as their personal pursuit of a better life, all in all, when they are linked with the building of material civilization at present.

In short, every task in building socialist spiritual civilization is inseparable from the conditions provided by the building of material civilization, and it is simultaneously the motive force that spurs the building of material civilization. To introduce the building of spiritual civilization into the activities of material production of every trade and profession and to spur the economic construction in every field is the correct direction of the development of building socialist civilization.

SPIRIT OF SCIENTIFIC WORK EXAMPLE FOR REFORM

HK031002 Beijing GUANGMING RIBAO in Chinese 21 Sep 86 p 3

[Article by Liu Xiyao (0491 6007 1031), Li Su (2621 5685), Hou Xianglin (0186 4382 7792), Lu Da (7120 4594), Tao Hengxian (7118 0077 0752), and Tao Tao (7118 3447): "A Joint Battle of Historic Significance To Tackle Key Scientific and Technological Problems — the Development of New-Type Materials in Retrospect"]

[Excerpts] In the late 1950's and early 1960's, in line with the unified plan of the CPC Central Committee, under the loving care of Comrades Zhou Enlai, Deng Xiaoping, He Long, Li Fuchun, Bo Yibo, and Luo Ruiqing, and with Comrade Nie Rongzhen taking personal charge, the State Scientific and Technological Commission, the Commission on Science, Technology and Industry for National Defense, and the Office of the National Defense Industry organized a joint battle to develop "new-type materials," precision instruments, and large equipment needed for atom bombs, guided missiles, and high-performance aircraft. At that time, a technological blockade was enforced upon our country and we were confronted with an economic difficulty lasting for 3 years. In a short span of several years, by carrying forward the spirit of working hard for the vast numbers of scientists and technicians succeeded in developing tens of thousands of new materials, instruments, and equipment needed for modern, high-performance weapons, thus ensuring the needs of the military industry for national defense. These products are also extensively used in the current economic construction and some of them are still technologically advanced in the world. It was a joint battle to tackle key scientific and technological problems, which was both valuable and of historic significance. [passage omitted]

The situation at home and abroad today is vastly different from that in the past. The international environment in which our country was totally blockaded no longer exists and our policy of opening to the outside world has also achieved great successes. The economic, scientific and technological, and educational structures, which hamper the development of the productive forces, are being reformed. Fundamental changes have taken place in our country's principle of socialist economic construction. Some previous practices are not completely suitable today. However, the noble spirit and work styles and the successful experience of acting according to objective scientific laws have not lost their glory and value. The ranks of scientists and technicians trained in the previous battle to tackle key scientific and technological problems are still an important force in the four modernizations program today and in our efforts to scale new heights in science and technology.

The task we face today is to concentrate our efforts on economic construction and to achieve the four socialist modernizations. Compared with the battle to tackle key scientific and technological problems in those years, our task today is much more extensive in scale, greater in objective, and much more difficult. It also takes a longer time to complete. In the face of such a gigantic task, it is more necessary for us to make overall planning, to vigorously coordinate with one another, to formulate a series of policies and measures that can arouse people's initiative, and to urge scientists and workers to give play to their noble character and heroic spirit of devoting themselves to the motherland. At a crucial time of historical development like this, reviewing the previous history of the battle to tackle key problems can help encourage the vast number of scientists and technicians in our country to seize new and greater victories under the guidance of the correct principles and policies of the CPC Central Committee.

MILITARY COMMANDER HEARS BORDER GUARD REPORTS

OW060025 Beijing Domestic Service in Mandarin 1200 GMT 4 Oct 86

[Text] Recently the party committee of the Beijing Military Region asked some cadres and fighters of its frontier units, together with their wives or fiancées, to come to Beijing and give reports and make visits with a view to promoting the work of building a spiritual civilization in these units.

Today Qin Jiwei, commander, and Yang Baibing, political commissar of the Beijing Military Region, and responsible comrades from the departments concerned of the CYL Central Committee and the All-China Women's Federation heard the reports by the cadre and fighter representatives on advanced deeds in building spiritual civilization.

The frontier units of the Beijing Military Region guard nearly one-fifth of the land border of our motherland. Many of them are stationed in remote areas with very poor living conditions. These cadres and fighters are faced with considerable difficulties in seeking jobs for their dependents, getting their children into schools, and finding marriage partners.

Among the 31 members of the report group are veteran frontier guards who have worked at their posts for several decades, young fighters who willingly carry on the job of guarding the frontier without any desire for personal fame or gain, model military dependents who quietly shoulder the family responsibilities so that their husbands may work in the service, and female college students. Celebrations, the report group visited key construction projects in the capital and mounted the Tiananmen rostrum. The frontier guards said that the visit had further intensified their determination to settle in the border regions and dedicate themselves to the work of safeguarding the country.

MANY RED ARMY CADRES STILL ON ACTIVE DUTY

OW040247 Beijing Domestic Service in Mandarin 2230 GMT 3 Oct 86

[Text] According to JIEFANGJUN BAO, the Army's ranks include nearly 4,300 cadres who joined up during the period of the Red Army. In addition, there are Red Army cadres who have been transferred to the leading posts of local party and government organs at various levels over the years. Now all are old men of about 70. Though a few are still holding important leading positions in our army, 92 percent have stepped down from leading posts at various levels.

GUANGMING RIBAO VIEWS NEW PRESS CONCEPT

HK060121 Beijing GUANGMING RIBAO in Chinese 22 Sep 86 p 2

[Report by Xae Guoming (6200 0948 7686) and Zhong Yuan (6988 0337): "A New Concept of the Press as a Mass Medium Should Be Established"]

[Text] How should our newspapers conduct reforms for themselves so as to adapt themselves to the developments of the country's ongoing economic and political reforms? Recently the Research Institute of Journalism, under the Chinese Academy of Social Sciences, made a series of suggestions on the basis of their research on this issue. [paragraph continues]

Their suggestions were well received by press units in the capital and in some provinces and cities.

According to the "suggestions" of the Research Institute of Journalism, all major reforms are always led by a change in values. In newspaper reform, some values should also be renewed. The new concept that the press is a multi-function mass medium, for instance, should be established among newspaper people. All newspapers should delegate their functions as covering news, spreading news and knowledge, and providing entertainment and advertising. Although newspaper of different types have their own priorities in performing their functions, there should be a rational ratio among them in functional terms so that each has a role to play.

To accomplish this the "suggestions" put forth the idea of newspapers giving consideration to both propaganda and news value. Propaganda value is required by the functions of party newspapers and is necessary for giving direction to work. News is the general function of newspapers and is required by the vast number of readers. Neither should be overemphasized at the expense of the other. Newspapers should do their best to carry news stories of both news and propaganda value. This kind of contribution is the best. As for most contributions, either their propaganda value outweighs their news value or the latter outweighs the former. While attaching importance to the use of the propaganda value yardstick, newspapers should raise news value to an appropriate position and carry all the news they consider worth publication, including news on social affairs and literature and art activities, with good newsphotos, so as to meet readers' needs for more information and knowledge.

According to the "suggestions," the instructive nature (referring to directing work) of party newspapers should be strengthened in the course of reform. It is desirable to write and edit more reviews and commentaries to help readers better understand the general trends and new developments. At the same time, it is necessary to attach importance to advance publicity work (the coverage of publicity work carried out before certain laws or policies are promulgated) and intensive news reports. However, these instructive stories should be "concise" and not be carried repeatedly, so as to avoid inducing the "reverse reaction mentality" of readers. As for the layout of the instructive stories, which should be slashed in number and selected in a stricter way, they should be carried in a prominent and important place in the newspaper, with editor's notes or postscripts attached to them so as to catch people's eyes.

The "suggestions" say: As opinion-oriented organizations, newspapers should reflect various views. How should a party newspaper open up new avenues of opinion and ensure that there is liveliness but not chaos? According to the "suggestions," one of the measures is that newspapers should separate views of the Communist Party committees from those of reporters and local people. At present, particular attention should be paid to setting up special opinion columns, such as "readers' forum" so that newspapers will move to a three-dimensional and multilevel pattern which is more authoritative and representative.

International news is relatively well received by the readers. However, there are currently relatively many "restrictions" imposed on international coverage. The "suggestions" maintain that with the exception of extraordinarily sensitive issues, international coverage should be widened by distinguishing between news stories and those reflecting China's foreign policies. This will help expand the range of international coverage. Commentaries on international issues should also be widened by including views reflecting the government stand and also those of the public.

The "suggestions" also say: The standards for choosing and publishing news on the front page should be diversified. They should be both stories reflecting our current central tasks and aimed at directing our current work and international news attracting world attention. At the end of a year newspapers should choose through public appraisal and carry top world news, which should be front-paged in principle. Among others, important letters from readers and news on major disasters and social events can be carried on the front-page.

The "suggestions" also call for a "three-dimensional" coverage, that is to say, the pattern of writing which stresses exclusively either commendation or criticism should be smashed, and news reports should be practical and complete and include both achievements and faults and strong and weak points.

The content of the "suggestions" cover a wide range of areas. For instance, it is suggested that newspapers open a special column on journalism, give publicity to the laws governing journalism, and explore and study some problems existing in journalism so as to help readers renew the concept of newspaper reading. It is also suggested that newspapers run a reform experimental edition as an experimental model so as to gain experience. The "suggestions" also deal with the internal reform of newspaper offices, advocating that an environment favorable to carrying out reforms in the internal departments of newspaper offices be created.

The suggestions of the Research Institute of Journalism have drawn the attention of many newspapers, and leaders of some newspapers have written letters praising them.

RENMIN RIBO FOCUSES ON PUNISHING POWER ABUSERS

OW191806 Beijing XINHUA Domestic Service in Chinese 1448 GMT 19 Sep 86

[Apparent text of a 20 September RENMIN RIBAO commentator's article: "We Must Not Allow Those who Abuse Power for Personal Gains To Do Whatever They Like"]

[Text] Beijing, 19 Sep (XINHUA) -- "When a man gets to the top, all his friends and relatives go there with him." This old saying strikingly reflects the corruption in feudal officialdom. Regrettably, this saying can still appropriately be applied to some cadres today. The case of He Yuantang, former deputy secretary of the Changzhi City CPC Committee, Shanxi Province, who is being punished through party discipline for abusing power for personal gains, represents an example of the harms of the "special privilege" mentality. It also demonstrates clearly once again, our determination to straighten out party work style.

As a leading cadre and director of the party rectification office, He Yuantang openly intervened on many occasions to find jobs for his children during party rectification. He went so far as to secure official positions and party membership for his malfeasant sons without any scruples. His audacity is quite remarkable! Was He Yuantang not aware of party regulations and discipline? No! He was blinded by a lust for power. He thought that since he had power, he could do whatever he wanted in his "sphere of influence" and nobody could do anything about it. He was wrong!

The purpose of our party is to serve the people. All party cadres, regardless of their position, are public servants. Abusing power in any form for personal gains is opposed by the people and not tolerated by party discipline. Therefore, people like He Yuantang who abuse the power vested in them by the people to seek personal gains should, of course, be deprived of their power. We must never be vague on this matter of principle. At the same time, we must also make an earnest investigation of their ill-gotten gains.

This is an effective measure to deal with those who are blinded by lust and abuse their power for personal gains.

Comrade Deng Xiaoping said: "To overcome the phenomenon of special privileges, we must solve the problem of ideology as well as that of the system." The fact that He Yuantang had his way for a while shows that there are still many defects in our cadre system, that the cadre selection, evaluation, and supervision system is still imperfect, and that the cadre system remains to be gradually perfected through reform.

At present, the work of straightening out party work style is developing healthily and in depth. Abusing power for personal gains is one of the problems to be solved by straightening out party work style and checking unhealthy tendencies. We must not spare the feelings of power abusers nor pay attention to their personal connections and make a thorough investigation of all the problems that should be investigated in accordance with the requirements set forth by the central authorities. All problems should be dealt with in an earnest manner. We must not allow any person who violates law and discipline to escape punishment.

AGRICULTURAL COMMODITY ECONOMY PROBLEMS DETAILED

OW181141 Beijing XINHUA in English 1104 GMT 18 Sep 86

[Text] Beijing, September 18 (XINHUA) -- Chinese agronomists have called for new policies to tackle problems now hampering the development of the agricultural commodity economy, today's "PEOPLE'S DAILY" reported.

Experts in 25 groups dispatched by the Chinese Academy of Agricultural Sciences in July and August investigated 30 counties in 20 provinces, municipalities and autonomous regions.

While agreeing that China's reforms have boosted the rural economy, they said that there are problems and new policies and measures are needed to tackle them.

In their investigations, they found, in many places, the enthusiasm of the peasants engaged in grain production was declining, as they felt it was difficult to sell their surplus products.

The old grain purchase and sale system is holding back the development of commodity production, the paper quoted the experts as saying.

They also found water conservation facilities in some places were damaged, which reduce the areas' capability to resist drought or flooding.

If not enough attention is given to all these problems, the experts said, the development of the commodity economy in China's rural areas will probably experience a fluctuation or slow growth.

CENTRAL AUTHORITIES FORMULATE IMPORT POLICIES

HK031159 Hong Kong WEN WEI PO in Chinese 3 Oct 86 p 2

[Special dispatch from Guangzhou by reporter Li Chao-hui (2621 2600 6540): "Special Meeting Held by the Central Authorities To Work Out Preferential Treatment for Foreign Businessmen Who Make Investments or Run Enterprises in China"]

[Text] According to reliable sources, the central authorities held a special meeting in late September to study issues concerning foreign investments in China, and the meeting adopted 20 preferential policies for foreign investors.

These policies mainly include the following six points:

First, lowering the cost of labor. The wages, labor insurance, medical expenses, and state subsidies of workers in enterprises involving foreign investments (including those solely owned by foreign capital, Chinese-foreign joint ventures, and cooperation enterprises) are controlled to a certain proportion. Labor costs are lowered under the premise of guaranteeing workers' interests. It is stipulated that the total wage income of workers in the enterprises involving foreign investment should be 240 to 270 percent of the wage income of workers in state-run enterprises.

Second, lowering the cost of land. The land-use fee is 5 to 20 yuan per square meter for newly opened land. If the land-use fee is paid once and for all, the rate cannot be higher than 3 yuan per square meter. In the past, land-use fees varied from place to place in China and were usually too high. In some places the rate was as high as 150 yuan per square meter.

Third, reducing taxes. If an enterprise exports all or more than 70 percent of its products, its taxes can be reduced by 50 percent.

Fourth, offering an extended half-tax period. As it stands now, when foreign businessmen set up enterprises which use advanced technology, they enjoy a tax free period of 2 years and a half-tax period of 3 years. The half-tax period could be extended to 6 years.

Fifth, permitting investors in enterprises which export their products to remit their profits abroad without paying a tax on the remittances.

Sixth, encouraging reinvestment. New regulations stipulate that if foreign businessmen reinvest their profits in enterprises which produce export goods and use advanced technologies, the income taxes they have paid will all be refunded. (In the past, only half of the taxes were refunded). But their reinvestments must continue for 5 years or longer.

In recent years, China has achieved marked results in attracting foreign investment, but some policy problems have also adversely affected the development of enterprises involving foreign investment and affected China's efforts to make use of foreign funds and to further open up to the outside world. Therefore, the central authorities held a special meeting and formulated the above-mentioned 20 stipulations to boost investors' confidence. This will also help realize the target of attracting 20 billion yuan of foreign funds each year as Deng Xiaoping hopes.

VICE MINISTER ON FOCUS OF FOREIGN AID WORK

HK060606 Beijing GUOJI SHANGBAO in Chinese 22 Sep 86 p 1

[Report from Dar es Salaam by reporter Liang Zhu (2733 2691): "Vice Minister Lu Xuejian on Focus of Work To Aid Foreign Countries"]

[Text] In his speech at the recent conference of economic counselors of eastern Africa, western Asia, and northern Africa held in the Tanzanian capital Dar es Salaam, Lu Xuejian, vice minister of foreign economic relations and trade, pointed out: "By the end of 1985, China had undertaken the construction of 1,390 complete projects and whole plants in foreign countries, of which 1,126 have been completed. Most of the completed projects are in good condition, but some of them have not yet given play to their proper roles due to improper management or other reasons. They need to be improved as soon as possible. The focus of our work to aid foreign countries at present is to enhance the achievements we have made in foreign aid. We must have clearer understanding of our guiding ideology in this work -- long-term cooperation and being responsible to the end."

Since the 3d Plenary Session of the 11th CPC Central Committee, China's work to aid foreign countries has entered a new period of healthy development, and great achievements have been made in continuing to perform our international duty and in implementing the policies of readjustment and reform and the policy of opening up to the outside world and enlivening the domestic economy. At present, the number of countries which have economic aid relations with China has increased to 90. In the Sixth 5-Year Plan, we undertook 81 completely new projects, started construction of 132 projects, and completed 173 projects. Now we are making positive efforts to consolidate our achievements in this respect: Readjusting foreign aid expenditure and implementing the policy of acting according to our capability; improving the structure of foreign aid and exploring more channels for cooperation; adhering to the principle of internationalism and conscientiously carrying our agreements; improving our internal management system and implementing the contracted responsibility system in an all-round way.

The Tanzania-Zambia railway, built with Chinese aid, has been in operation for 10 years. In the first 7 years, there were some losses. But in the past 3 years, as some positive measures were adopted and the Chinese side also participated in the management, profits were made every year. Some other Chinese-aided projects, such as the sugar refinery complex, the pharmaceutical factory, and the leather factory in Mali, the textile mill in Zambia, the cement factory in Rwanda, and the sugar refinery in Sierra Leone, have also made up deficits and increased surpluses with Chinese participation in management. It is our international duty to be responsible to the end for Third World people. In the future, when Chinese-aided projects are completed and to be turned over to the recipient countries, we must also ask for the latter's approval to help them make good arrangements in production and management or to carry out further cooperation in other fields, such as offering technical guidance and equipment for maintenance and training personnel. Vice Minister Lu Xuejian also said: With the development of China's economy and the growing of our national strength, during the Seventh 5-Year Plan our foreign aid task will also become heavier. In the construction of complete projects, we must mainly provide aid for medium-sized and small projects which yield quick returns with little investment and which serve local people directly. It is necessary to increase investment in the exploitation of intellectual resources. It is also necessary to select proper projects to develop and to ensure their quality.

GUOJI SHANGBAO URGES CONSOLIDATION IN FOREIGN AID

HK060608 Beijing GUOJI SHANGBAO in Chinese 22 Sep 86 p 1

[Commentary: "Pay Attention To Consolidating Achievements in Economic Aid to Foreign Countries"]

[Text] Over the past 30-odd years, China has helped friendly countries build more than 1,100 complete projects and whole plants. The situation of most of these projects and plants is good, but a small number of them have yielded few economic and social returns. Some have even suffered losses and ceased production. Thus, the question has been raised: Must we continue to do a good job in those projects which are not in a good condition?

The answer is in the affirmative. Consolidating our achievements made in building projects in foreign countries is an important part of our foreign aid work and the focus of this work at present. The purpose of our aid to foreign countries is to epitomize recipient countries to obtain substantial economic results and enhance their ability to develop by their own strength. If a project cannot be put into normal production after it is completed, or no satisfactory economic returns are yielded, our aid may even become a "burden" for the recipient country. This goes against the purpose of our foreign aid. Therefore, we must be responsible through to the end and enthusiastically help the recipient countries consolidate relevant achievements.

The key to consolidating the achievements of the completed projects lies in improving management. In the past, we had some misgivings on taking part in the management. After a project was completed, our personnel usually wished to leave as soon as possible or just offered some technical guidance before leaving. They were reluctant to take part in enterprise management. Since the 3d Plenary Session of the 11th CPC Central Committee, as our comrades have emancipated their minds and summed up their experiences, they have taken an active part in the management of Chinese-aided enterprises and achieved very good results. In 1983, we reached an agreement with Tanzania and Zambia, according to which the Chinese side would take part in the management of the Tanzania-Zambia railway and begin the fourth round of technical cooperation with the two countries over a term of 3 years. With the cooperation and common efforts of the three sides, an overall improvement has been made in respect of freight volume, safety, and the financial situation. Practice shows that whether the Chinese side offers help in management plays a decisive role in consolidating the achievements of the completed projects.

In helping the recipient countries manage Chinese-aided enterprises, it is necessary to suit our measures to local conditions and concrete projects and to adopt diverse forms of cooperation. In light of the concrete situation of the projects and the needs of the recipient countries, some can be put under the management of the Chinese side on behalf of the recipient side, some can be jointly managed by both sides, and some can be managed by the recipient side with Chinese assistance. In the first two cases, as the Chinese side holds actual posts, our personnel should perform their duties well in accordance with the agreement between the two sides. For those projects under the management of the recipient side with Chinese assistance, all profits and losses belong to the recipient side. In some projects, there are problems concerning the use of equipment and the supply of spare parts. We must proceed from reality and enhance our cooperation with the recipient side through various methods, such as offering technical guidance and maintenance, renewing equipment, and supplying technical guidance and maintenance, renewing equipment, and supplying spare parts in good time, so that the production, operation, and management of those enterprises may be normalized. If conditions are ripe for certain enterprises, and upon the request of the recipient countries, we may also turn them into joint ventures on a trial basis.

China is a developing socialist country. It is duty-bound to provide friendly Third World countries with necessary aid. To consolidate the achievements of the completed projects so that they can yield due economic and social returns is an effort to hold ourselves responsible to friendly countries and to fulfill our internationalist obligations.

READER'S LETTER DISCUSSES BANKRUPTCY LAW

HK031502 Beijing GONGREN RIBAO in Chinese 27 Sep 86 p 3

[Letter by Qiu Shi (5941 1395): "Proposal on Initiating Discussions on the Question of Formulating the Bankruptcy Law" -- capitalized passages published in boldface]

[Text] COMRADE EDITOR:

Recently, the press has made much effort to publicize the necessity of formulating a bankruptcy law for state-owned enterprises. These opinions of the press have made an almost identical impression on the public -- the press almost unanimously agrees that the problem of eating from the same big pot will readily be solved as soon as the bankruptcy law is promulgated. However, many legalists, theoreticians, and managers, directors, and staff members of enterprises hold that the problem is not so simple as the press believes.

According to a XINHUA report, when the draft of the bankruptcy law for state-owned enterprises was examined during the 17th Meeting of the 6th NPC Standing Committee held not long ago, members of the Standing Committee "aired their views freely and participated in heated discussion on whether the conditions for the implementation of the bankruptcy law are available and ripe. The meeting was going on in a very lively democratic atmosphere." In my opinion, the "heated discussion" and "very lively democratic atmosphere" were normal and useful, while the "predominantly favorable" attitudes shown by some newspapers and journals were abnormal and harmful.

To be sure, in light of the need of commodity economy development, the formulation of a bankruptcy law for state-owned enterprises is inevitable. It is completely necessary for the mass media as the precursor of practice to promptly demonstrate and publicize this objective inevitability. But, after all, legislation is a solemn and serious task. As soon as a law is formulated, promulgated, and brought into effect, it will become the state's will and compulsory behavioral standards to be coersively enforced by the state. And a law is by no means so flexible as public opinion. A mature and complete law should be meticulously formulated on a fully democratic basis and in accordance with some fixed legislative procedures. It should be able to represent the masses' unified will and fundamental interests. Therefore, democratic legislation has always been regarded as an important principle governing the building of the socialist legal system in our country. We had practiced this principle in the past in mobilizing all the people to discuss the Constitution and the revised draft of the Constitution. Today, the members of the NPC Standing Committee are also practicing the same principle in "airing their views freely" and "participating in heated discussion" on behalf of the masses. Only in this way can our laws take root deep among the masses and show great vitality.

Now let us return to the question on the bankruptcy law. In my opinion, apart from the "question whether the conditions are available and ripe" that has aroused disputes among the members of the NPC Standing Committee, some other theoretical problems also need to be discussed.

FIRST, IN IMPLEMENTING THE BANKRUPTCY LAW FOR STATE-OWNED ENTERPRISES, THE FIRST QUESTION WE HAVE TO ANSWER IS: WHO, ACTUALLY, IS TO "SUFFER FROM BANKRUPTCY"? Just as the name implies, a state-owned enterprise means an enterprise run by the state. Even if we interpret it, according to the currently prevalent definition, as an enterprise which exercises management power on its own but has its ownership kept by the state, the enterprise's nature that its properties belong to the state or, to be more precise, to the whole people remain unchanged. Thus, it can be concluded that if a state-owned enterprise declares bankruptcy, it is the state itself that will actually suffer from the bankruptcy. So far we have not found, in the world, any precedent of a state as a legal entity declaring bankruptcy. It seems theoretically unreasonable.

SECOND, state-owned enterprises include state-run industrial and mining enterprises and state-run companies. State-owned companies hold limited liability in terms of their fixed assets but unlimited liability in terms of the nature of their property ownership system. Whether they hold limited or unlimited liability, nobody but the state is the real and sole shareholder. Therefore, SUPPOSE A STATE-OWNED COMPANY DECLARES BANKRUPTCY, FROM A LEGAL POINT OF VIEW, SHOULD THE STATE AS THE SOLE SHAREHOLDER OF THIS COMPANY BEAR THE UNLIMITED RESPONSIBILITY FOR PAYING BACK THE COMPANY'S DEBTS DESPITE ITS LIMITED FIXED ASSETS?

THIRD, for the same reason, even if the implementation of the bankruptcy law for state-owned enterprises is theoretically acceptable, the company law that is to be drawn up in support of it will not work. A company, whether a limited or unlimited one, is formed by at least two shareholders. As we have pointed out above, however, our state-owned companies actually have only one shareholder. FROM A LEGAL POINT OF VIEW, A COMPANY WILL NO LONGER EXIST WHEN IT HAS ONLY ONE SHAREHOLDER. SUCH BEING THE CASE, DO WE STILL NEED TO DECLARE THE BANKRUPTCY OF A COMPANY UNDER THE GUISE OF LAW?

FOURTH, from the viewpoint of the system theory [xi tong lun 4762 4827 6158], taking the whole legal system into consideration, we still have to solve the problem concerning the relations between principal laws and auxiliary laws and between different laws even if all the indispensable conditions for the implementation of the bankruptcy law for state-owned enterprises are available. Just as Comrade Peng Zhen pointed out: "Legislation must be based on the Constitution, and different laws should not contradict each other." Article 7 of the PRC Constitution provides: "The state sector of the economy, that is, the socialist sector owned by the whole people, is the leading force in the national economy. That state ensures the consolidation and development of the state sector of the economy." Bearing the above remarks in mind, people cannot help but ask: ON THE ONE HAND, WE ARE REQUIRED TO ENSURE, IN THE MAIN, THE CONSOLIDATION AND DEVELOPMENT OF THE STATE SECTOR OF THE ECONOMY AND, ON THE OTHER HAND, WE HAVE TO LET CERTAIN STATE-OWNED ENTERPRISES DECLARE BANKRUPTCY. IS THERE ANY CONTRADICTION BETWEEN THESE TWO ASPECTS? IN ADDITION, THE CONSTITUTION PROVIDES THAT EVERY CITIZEN HAS THE RIGHT TO WORK. HOWEVER, THE STAFF MEMBERS OF A BANKRUPT ENTERPRISE ACTUALLY LOSE THIS RIGHT BECAUSE OF BANKRUPTCY. HOW ARE WE GOING TO PROPERLY EXPLAIN TO THESE STAFF MEMBERS FROM A THEORETICAL POINT OF VIEW?

I can still cite some theoretical paradoxes like these which need exploration. I suggest that your newspaper save some space to let the readers raise their questions and discuss them. This will help to enhance the readers' ideological and theoretical understanding. Moreover, as far as democratic legislation is concerned, a "very lively democratic atmosphere" is absolutely a real need.

XUE MUQIAO ON 'TWO MAJOR ERRORS' IN OPENING UP

HK060709 Hong Kong MING FAO in Chinese 4 Oct 86 p 5

[Special dispatch from Shanghai: "Xue Muqiao on Opening Up to the Outside World"]

[Text] Renowned Chinese economist Xue Muqiao said that China has made two major errors since it adopted the policy of opening up to the outside world: One error was the introduction of 22 large projects at the same time in 1978; and the other was the disorder in foreign exchange management from the second half of 1984 to the first half of 1985. Henceforth, reform should catch up with the new, open situation.

At a recent seminar on economic policies for open port cities, Xue Muqiao made a speech entitled "On Opening Up to the Outside World." He said: Now, most people have acknowledged the correctness of the open policy, but people have different opinions on the errors in the course of opening up. In fact, some errors are unavoidable, and errors can be divided into two types: Some were made by the upper authorities in charge, and some were made by localities. It is not fair to lay all blame on localities for the errors.

Xue Muqiao said: "In my view, since the adoption of the open policy, we have committed two major errors. One was the introduction of 22 large construction projects, and the decision was made by the central authorities. The other error was made in late 1984 and early 1985. Because bank credit and foreign exchange were out of control, many localities, enterprises, and individuals were involved in foreign exchange speculation, viewed with each other in importing cars and household electrical appliances, and imported many color televisions, refrigerators, and car production lines and assembly lines. Thousands of 'briefcase' companies appeared in a short time. After the credit and exchange policy was tightened up, most of these companies were closed down. The closedown of these companies is a good thing. The overheated economic situation should be cooled down for a certain period so that a healthy and prosperous economic situation can be brought about."

According to Xue Muqiao, more than 100 color television assembly lines have been installed in all parts of the country, and most of the assembly lines were imported from abroad. The spare parts of the assembly lines must also be imported and cost more foreign exchange than the assembly lines themselves. Due to the shortage of foreign exchange, many assembly lines have been forced to reduce or even stop production. Plants assembling cars and refrigerators are also facing similar difficulties. He said: In the next 2 to 3 years, we must not be too eager to import such plants and production lines; instead, we should make better use of existing equipment so that the enterprises which expend foreign exchange can be turned into enterprises which earn foreign exchange.

Xue Muqiao said that opening up and reform are two interrelated aspects. Reform should closely catch up with opening up. Open areas should be pioneers in reform. Joint ventures and cooperation enterprises in particular, should play a leading role. If the two "big pots" between the state and enterprises and between enterprises and their workers are not changed, it will be hard to smoothly develop such joint ventures. The central authorities should give greater power to open areas, especially special economic zones. They should be encouraged to blaze new trails and create experience for other parts of the country. The "big pot" system, which has proven unsuccessful, must not be imposed on the open areas. New areas and new enterprises should be allowed to adopt as many new methods as possible so that they can play a leading role in technical innovation and structural reform for the whole country.

XINHUA ENCOURAGES DEVELOPMENT OF COASTAL CITIES

OW041232 Beijing XINHUA in English 1216 GMT 4 Oct 86

[Text] Beijing, October 4 (XINHUA) -- Chinese coastal cities were encouraged to develop an export-oriented economy by a XINHUA commentator today.

The commentator said, "Increasing imports to produce export goods will not only help boost the local economy but also contribute to the development of the national economy, particularly that of inland areas."

According to the commentary, existing industries in coastal cities mainly process materials from inland regions and these raw materials are becoming scarce in the wake of the growing development of local industries. Their traditional market in the interior areas are also being challenged by products from local factories.

"By producing exportable goods from imported materials, coastal cities could also import advanced technology and managerial expertise from abroad and serve as a link between the outside world and interior sectors," he said.

He added, "with fairly complete industrial sectors, a good scientific basis and abundant manpower, the coastal cities have the capability and experience to process export goods."

"At present, coastal cities should develop goods which require more manpower to produce while preparing conditions for production of more high-tech products", the commentator concluded.

NPC VICE CHAIRMAN HAN XIANCHU DIES 3 OCT

OW031259 Beijing XINHUA Domestic Service in Chinese 1201 GMT 3 Oct 86

[Text] Beijing, 3 Oct (XINHUA) -- Comrade Han Xianchu, vice chairman of the Sixth NPC Standing Committee, died of illness in Beijing at 0740 today after failing to respond to medical treatment. He was 74.

Hailing from Hongan County, Hubei Province, Comrade Han Xianchu successively served as regimental commander and division commander of the 15th Army Group of the Red Army; brigade commander of the 8th Route Army's 115th Division; commander of a column under the Democratic Joint Army in northeast China; deputy commander of the Chinese People's Volunteers; chief of staff of the Central-South Military Region; deputy chief of the PLA General Staff; commander of the Fuzhou PLA units; first secretary of the Fujian Provincial CPC Committee; commander of the Lanzhou PLA units; and member of the Standing Committee of the Central Military Commission. He was a member of the 8th through 12th CPC Central Committees.

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TAIWAN TO RELAX RESTRICTIONS ON ENTERING ISLAND

HK031524 Hong Kong ZHONGGUO TONGXUN SHE in Chinese 1346 GMT 30 Sep 86

[Text] Hong Kong 30 Sep (ZHONGGUO TONGXUN SHE) -- Taipei sources: According to a 30 September CHUNG KUO SHIH PAO report, Taiwan's "Ministry of Internal Affairs" has decided to relax restrictions on requiring endorsers from Hong Kong and Macao residents entering the island, and the abolition of the regulations on endorsed applications for entrance permits is under study.

According to the report, when Hong Kong and Macao residents wanted to visit Taiwan in the past, they had to look for responsible persons of Overseas Chinese organizations or travelling agencies for their endorsement. Such practice resulted in many travelling agencies making profits out of it, and some responsible persons of Overseas Chinese organizations relying on it as a source of their office expenditures.

Officials of the "Ministry of Internal Affairs" stressed that because the system of endorsed applications for entrance permits had become formalistic, they decided to relax the relevant regulations and to make it easier for Hong Kong and Macao compatriots to enter Taiwan.

TAIWAN CONDITIONALLY ACCEPTED BY SWIMMING GROUP

OWO21122 Beijing XINHUA in English 0835 GMT 2 Oct 86

[Text] Seoul, October 2 (XINHUA) -- The Third Asian Swimming Championships will be held between late April and early May, 1988 in Guangzhou, China, announced a spokesman of the Asian Amateur Swimming Federation (AASF) here today.

K.M.S. Aziz, secretary general of AASF from Bangladesh, told a press conference that AASF, governing body of swimming, diving and water polo in Asia, has chosen Guangzhou in southern China as the venue for the Third Asian Swimming Championships.

AASF, founded in 1978 in Bangladesh, arranges continental swimming, diving and water polo tournaments on a yearly basis, especially with the Asian Games, Asian Swimming Championships and the Asian Age-Group Swimming Tournaments.

The Asian Amateur swimming Federation is also compiling an Asian recordbook to fill the vacancy, with the best times clocked in the previous Asian Games in New Delhi, the Second Asian swimming Championships in Seoul and the current Asiad. The recordbook will be available early next year, Aziz said.

Times registered in regional competitions will also be received as Asian records. But these competitions, to be supervised by AASF, must be organized by AASF member countries and regions which now include Bahrain, Bangladesh, Brunei, Burma, China, the Democratic People's Republic of Korea, Hong Kong, Indonesia, Iran, Iraq, Japan, Kuwait, Malaysia, Oman, Nepal, the Maldives, Pakistan, the Philippines, Qatar, Saudi Arabia, Singapore, South Korea, Sri Lanka, Thailand, the United Arab Emirates, India, Syria, Jordan and Lebanon.

Chinese Taipei will also be received as an AASF member on the ground that it uses anthem, emblem and flag in line with the requirement of the International Olympic Committee and the Olympic Council of Asia.

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AASF inaugurated the First Asian Swimming Championships in Dhaka, Bangladesh, in 1981 and stated the second championships in Seoul in 1984.

The AASF secretary general said at the press conference that the federation will try to get more help from the International Amateur Swimming Federation, governing body of this sport in the world, to further the standard of swimming in the less developed countries and regions in Asia besides Japan and China which are already of international standards.

RENMIN RIBAO REPORTS ON NEW PARTY IN TAIWAN

HK030641 Beijing RENMIN RIBAO in Chinese 30 Sep 86 p 4

[Report: "The Democratic Progress Party Has Been Set Up in Taiwan"]

[Text] Hong Kong, 29 Sep -- Disregarding the government ban on political parties, non-Kuomintang personages in Taiwan announced yesterday the formal formation of the Democratic Progressive Party. This is the first opposition party set up since the declaration of martial law.

According to a CHUNG KUO SHIH PAO report: After discussing at Taipei's Grant Hotel the list of nonparty candidates for election at the end of this year, the 130-odd nonparty personages, including Yu Ching and Kang Nin-hsiang, held a press conference yesterday afternoon to announce the formation of the party. They also put forward a draft party program and an organizational plan and chose seven party-formation working committee members to prepare for the first "national congress" to be held at the end of this year.

It is disclosed that the seven party-formation working committee members are Fei Hsi-ping, Yu Ching, Hsieh Chang-ting, Yu Hsi-kun, Yen Chin-fu, Huang Erh-hsuan, and Fu Chen, with Fei Hsi-ping, current "member of the Legislative Yuan," acting as convener.

'INFORMED SOURCES' SAY KMT TO LIFT MARTIAL LAW

HK030750 Hong Kong AFP in English 0736 GMT 3 Oct 86

[Text] Taipei, Oct 3 (AFP) -- Taiwan's ruling Kuomintang (KMT) Party is to remove martial law and lift a 37-year ban on new political parties by the end of this year, informed sources said Friday. The development follows Sunday's formation by opposition politicians of the Democratic Progress Party (DPP), which had been seen by observers as a challenge to the new-party ban imposed in 1949.

The sources, who asked not be identified, said KMT leaders and legal specialists had contended it would be "most proper" to allow political groups organize through rational means and legal channels. Meanwhile, KMT leaders are deliberating whether to enact a separate law to govern political groups, or to relax existing rules which have restricted the activities of such organizations, the sources said. "The objective is to legalize all rational political parties, enabling them to function on the basis of the Constitution," the sources said.

The KMT is also to lift martial law by the end of this year, given years of stability in Taiwan society, the sources said.

Martial Law has been enforced since 1949, when the Nationalist Government retreated to Taiwan after losing Mainland China to the Communist Party.

The sources said a national security law might replace martial law to guard against communist infiltration and safeguard national stability. The KMT's Central Standing Committee, which sets party policy, has been studying reforms in six controversial areas, including martial law and the party ban, since March on instructions from President Chiang Ching-kuo, in a bid to improve the government's image. Other areas include self-administration by local governments, rejuvenation of the congress through re-elections and enforcing the KMT's administrative efficiency.

Observers said a commitment to national security and social stability had prompted the KMT to reject any crack-down on the DPP, although it has the power to do so under martial law. KMT authorities, while showing a willingness to compromise, have been urging the opposition to keep the DPP in the "planning stage" and not make any more moves to challenge the government's determination to honor the rule of law.

Meanwhile, a group of Tangwais, or opposition figures, agreed Friday to resume a dialogue with the KMT in their capacity as DPP members. The KMT opened the dialogue with the Tangwai Research Association for Public Policies (TRAPP) in May and relaxed the party ban by conditionally allowing the opposition group to open branch offices. The dialogue was suspended by TRAPP in June after two meetings when several Tangwai members were jailed on libel and election-law charges. TRAPP has opened 13 offices without complying to the conditions. The DPP was organized by key TRAPP members, but its charter, policy platform, organization and personnel arrangement are still under discussion.

PREMIER YU KUO-HWA ON POLITICAL DEMOCRATIZATION

OW031111 Taipei CNA in English 1101 GMT 3 Oct 86

[Text] Taipei, Oct 3 (CNA) -- Premier Yu Kuo-hua said Friday that the government will continue broadening political participation within the framework of the law. Answering an interpellation by Legislator Huang Cheng-an, Yu said that the government has spared no effort in promoting political democratization and is determined to strengthen communication with the general public. But the premier stressed that four principles must be adhered to:

- the constitution and the law of the land must be upheld;
- secessionism must be avoided;
- vigilance must be maintained against the communist threat;
- the interests and security of the nation must supercede all other considerations.

Urges Obedience to Law

OW040353 Taipei CNA in English 0258 GMT 4 Oct 86

[Text] Taipei, Oct. 3 (CNA) -- Premier Yu Kuo-hua said Friday that the government has tolerated a few people's illegal actions in order to promote unity and harmony in the country. But there is a premise to such tolerance, Yu said: Those actions should not adversely affect national security or disrupt social order. The premier made the remarks in reply to an interpellation by Legislator Huang Cheng-an.

Yu said although the Constitution stipulates that the people have the freedoms of assembly and association, the exercise of these freedoms must be subject to certain specified restrictions. As the country has been facing the communist threat, such restrictions should be observed, he asserted.

The premier pointed out that the government has spared no effort to promote political democratization in the past 30 years. It is also determined to continue boosting such development based on the current foundation. But Yu stressed that political democratization must be conducted gradually, not radically. Moreover, in the process of democratization, the government will encourage lawful political participation and promote national unity, while banning illegal mass movements and any successionist moves.

INTERIOR MINISTER CALLS FOR NATIONAL UNITY

OW040347 Taipei CNA in English 0302 GMT 4 Oct 86

[Text] Taipei, Oct 3 (CNA) -- Interior Minister Wu Po-hsiung called on all people of the nation Friday to unite closely to deal with the difficulties the nation is facing.

Wu said that the reason the nation has successfully overcome the crises over the past three decades and is standing fast today is the obtaining of national unity, which, he added, has enabled the government and people to work together and move in concerted steps towards the definite goal of national recovery.

The past successful development on the bastion of national recovery of Taiwan has proved that only "when national security is assured can social stability and people's welfare be secured," Wu said. "National unity has paramount importance while the nation is still facing many difficulties, and a misunderstanding of the situation among the people will undermine the national strength and be tantamount to giving aid to the enemy," Wu said.

The minister made the remarks in response to an interpellation from Legislator Wang Cheng-hua in a Legislative Yuan session.

Greets Opposition Parties

OW040333 Taipei CNA in English 0305 GMT 4 Oct 86

[Text] Oct. 3 (CNA) -- The Young China Party and the China Democratic Socialist Party, the two opposition parties in the Republic of China, have been playing successfully the role of "loyal opposition" to the ruling Kuomintang, Interior Minister Wu Po-hsiung said Friday. Wu made the remarks in the Legislative Yuan while answering an interpellation on the role of the nation's political parties by Legislator Wang Chen-hwa of the Democratic Socialist Party.

In the past three and a half decades, the minister said, with a common acknowledgement of the difficulties the nation faced, the three parties have worked together cooperatively for the nation's development and the common goal of national recovery. The Young China Party and the China Democratic Socialist Party, Wu stressed, in particular, have made great and admirable contributions to the growth of democracy in the nation by doing outstanding work as members of the loyal opposition.

JUSTICE MINISTER WARNS OF LEGAL RESTRICTIONS

OW040403 Taipei CNA in English 0309 GMT 4 Oct 86

[Text] Taipei, Oct. 3 (CNA) -- Several laws in this nation stipulate clearly that the people's freedoms of assembly and of association may be restricted while the nation is in an extraordinary situation, and based on these laws, the government will take legal actions against those who take concrete actions to form new political parties in this nation, Justice Minister Shih Chi-yang said Friday. In response to a joint interpellation by six legislators led by Fei Hsi-ping, Shih pointed out that those laws restricting the people's freedoms of assembly and of association include the statutes governing civic organizations during the extraordinary period, the national mobilization law and martial law.

Commenting on the recent announcement by some people of their decision to form a political party in this nation, Shih said that although the freedom of formation of political parties is protected by Article 14 of the Constitution, such freedom is subject to certain restrictions when the nation is in an extraordinary situation. Before those laws restricting the people's freedom of formation of parties are revised, the government will still take legal actions against those who violate such laws, Shih said.

XU JIATUN, YOUDE ON IMPLEMENTATION OF DECLARATION

HK010749 Hong Kong ZHONGGUO XINWEN SHE in Chinese 1537 GMT 30 Sep 86

[Report by Guo Weifeng (6753 0251 6912): "Xu Jiatun and Youde Hold That China and Britain Have Fruitfully Implemented the Joint Declaration"]

[Text] Hong Kong, 30 Sep (ZHONGGUO XINWEN SHE) -- Xu Jiatun, director of the Hong Kong Branch of the XINHUA NEWS AGENCY, and Hong Kong Governor Sir Edward Youde jointly pointed out that both China and Britain had made good and fruitful progress in their cooperation to implement the joint declaration.

With satisfaction, both Xu Jiatun and Youde pointed this out at a grand cocktail party held by the Hong Kong Branch of the XINHUA NEWS AGENCY this afternoon to mark China's 37th national day. The party was attended by over 2,000 Chinese and foreign guests.

Xu Jiatun said: "Since the signing of the 'Sino-British Joint Declaration,' due to the cooperation between the two governments and the efforts of the Hong Kong compatriots, the work of the Sino-British Joint Liaison Group and the Sino-British Land Commission has been fruitful. The drafting of the Basic Law is making good progress under the principle of 'one country, two systems' and the situation in Hong Kong continues to develop in a good direction. General Secretary Hu Yaobang's visit to Britain last June was a great success. Now, the Chinese Government and the Chinese people are looking forward to the visit of Her Majesty Queen Elizabeth II. I believe that through this visit, the friendly and cooperative relationship between China and Britain will further develop."

Youde said: Cooperation between China and Britain in implementing the joint declaration is making good progress. The Sino-British Joint Liaison Group has reached agreement on numerous issues, which are very important to the future stability and prosperity of Hong Kong, including an agreement on Hong Kong's new status in the GATT. The land commission has also held numerous meetings, amply demonstrating that both sides can work satisfactorily together to solve complex problems in a practical way.

POLICYMAKERS DIVIDED OVER POLITICAL REFORM

HK030317 Hong Kong SOUTH CHINA MORNING POST in English 3 Oct 86 p 1

[By Michael Chugani]

[Text] With just months left before the government publishes a document on constitutional reforms, policy-makers are understood to be divided over how far political changes should be taken.

Two schools of thought are said to have emerged inside the Government: A "conservative" element wanting to see as little change as possible, and "reformists" urging major constitutional changes before 1997.

The contents of next May's Green Paper -- a public discussion paper on reforms -- will be decided by, among others, by the governor, Sir Edward Youde, the Chief Secretary, Sir David Akers-Jones, the District Administration Secretary, Mr Donald Liao, and the Deputy Chief Secretary, Mr Alan Scott, who will draft the document.

The are suggestions that these policy-makers, along with others, hold different opinions on the way options for change should be listed in the Green Paper.

Some favour a push towards direct elections to the Legislative Council on a one-man, one-vote basis, while others argue for a "controlled" form of direct elections.

"There is indecision. Everything seems to be in a state of flux. Nobody knows yet how to draft the Green Paper," one insider said.

One area of indecision is what form of direct elections should be listed as an option for political change.

There is concern that a one-man, one-vote system on a territory-wide basis could lead to the creation of political parties, which China opposes.

Officials are also concerned about what impact the contents of the Green Paper would have on the Basic Law Drafting Committee -- appointed by China to produce Hong Kong's future constitution.

The drafting committee is scheduled to produce its first report on the future political system in the middle of next year and its first draft basic law in early 1988.

Options for change listed in the Green Paper will indicate to Basic Law members some of the thinking of the Hong Kong and British Governments on what direction political evolution should take.

The Hong Kong government has already made clear it will not take the lead in shaping public opinion in the Green Paper, and will only list options for reforms.

Confusion could arise if Basic Law members choose to belittle the options in the Green Paper and support considerably different changes to Hong Kong's political structure.

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